Daily Report

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People Reportedly Try To Enter Western Embassies

AU0603124191 Paris AFP in English 1241 GMT 6 Mar 91

[Text] Belgrade, March 6 (AFP)—Police in the Albanian capital fired into the air Wednesday to disperse nearly 3,000 people trying to force their way into Western embassies, an Albanian journalist reported from Tirana.

The crowd gathered during the morning in Skenderbeg Square where most foreign embassies are located. Clashes broke out about 1200 GMT when the crowd attempted to break through a police cordon, the reports said.

Tensions Reportedly 'Rising' as Thousands Flee

LD0503182991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1725 GMT 5 Mar 91

[Excerpt] Ohrid, 5 Mar (TANJUG)—After a short-lived calm, tensions are again rising in Albania. This is primarily shown by the situation in southern Albania, especially in the port of Vlore, where thousands of Albanians—mainly young people ready to risk everything to reach the West and freedom—are pouring in. They are forcing their way aboard boats heading for Otranto and Brindisi on the Italian coast. Boats are sometimes overloaded. It is a real miracle that a tragedy has not yet occurred yet in the Otranto strait. The worst has not happened yet due to, above all, efforts of Italian coastal patrols.

Albanian authorities are unable to prevent "unlawful removal" of various ships. Unofficial sources in Tirana claim that the authorities are trying to forcibly prevent fugitives departing, while official information is confined to statements that those who have been gathering in Vlore are "instigating unrest, disturbing peace and order, and worsening the political situation in the country."

The situation in the Albanian capital is described as peaceful, but there are indications of the latest outpouring of dissatisfaction. Albanian TV reported last night that students gathered in front of the Education Ministry and demanded explanations about the recently introduced "correspondence courses". This refers to the fact that students have not been attending classes since 6 February. They will remain in correspondence with lecturers, at least until the elections. The authorities justify this by "their inability to accommodate and feed students, and also by the burning issue of restructuring the university." Students were told yesterday that they would receive additional explanation today, that is, this evening, on television. [passage omitted]

Refugee Ship Reportedly in Trouble in Adriatic

AU0603104791 Paris AFP in English 1033 GMT 6 Mar 91

[Text] Brindisi, Italy, March 6 (AFP)—A ship laden with Albanian refugees was in trouble in heavy seas between Albania and Italy and was no longer responding to radio calls, Italian officials said Wednesday. The ship, the Ibridim, was heavily loaded with refugees and had reported being in serious difficulty in international waters between the two countries before radio contact was lost.

Italian maritime authorities were planning to mount a rescue operation on Wednesday after being alerted to the Ibridim's trouble by the Albanian authorities.

Some 60 Albanian refugees were ferried ashore by Italian port authorities overnight after their fishing boat foundered on rocks three miles (five kilometers) off the southern Italian port of Brindisi. They were among 650 refugees who arrived overnight. The others were aboard the Romanian vessel Alba, which docked safely here. Other vessels believed to be carrying Albanian refugees were sighted off the southern Italian coast on Wednesday, but were unable to approach harbour because of rough seas.

The Albanian authorities reported late Tuesday that 12 vessels had been seized by fugitives and were headed for the Puglia region of southern Italy.

Council of Ministers Comments on Ship Seizures

AU0503201491 Tirana Domestic Service in Albanian 1900 GMT 5 Mar 91

[Council of Ministers communique issued in Tirana on 5 March]

[Text] The Council of Ministers informs our entire public with great concern that in recent days in Vlore and today in Durres, thousands of people, heedless of the laws in force and the forces of order, have seized Albanian and foreign ships by force to embark toward Italy. Such behavior has created an exceptional situation. This situation has been incited by internal and external enemies of our country, who are exploiting the economic difficulties through which we are passing and the psychology that has been created among people regarding the future. Their activities in recent days are part of a scenario devised to destabilize the political, economic, and social situation, and to hamper democratic processes and the normal conduct of the election campaign. The impatience of these citizens to travel abroad at all costs cannot justify such behavior as the attacks on and seizure of vessels in our ports. This behavior imperils the lives of the crew and citizens, and creates international border incidents. The abnormal situation that has been created has totally halted the unloading of food and other goods at the ports and the

supply of the people with these goods. It also creates insecurity for foreign vessels that are to come to our ports in the future.

The chairman of the Council of Ministers has also discussed the situation that has been created with the Italian parliamentary delegation headed by Flaminio Piccoli, chairman of the Foreign Affairs Commission of this legislature's House of Deputies, who is to talk to President Giulio Andreotti to find a suitable solution to this problem in the interests of preserving and developing friendly relations between our two countries and governments.

The Italian authorities stressed that RAI [Italian Radio] broadcasts are playing a negative role in this issue and that a special program on RAI Channel 1 at 2045 this evening will provide the necessary explanations. The government is making every effort through diplomatic channels to find every opportunity to start the organized economic emigration of Albanian citizens. It has created special bodies that will immediately start to register those citizens in every district who desire employment abroad, and will make every effort to make contact with international labor organizations and the national labor and immigration organizations of various countries. This process will start in the offices of the executive committees of the district people's councils on 15 March.

The Council of Ministers calls on all citizens to abandon such behavior, which is dangerous for the freedom and independence of the homeland and the destiny of the Albanian people. It meanwhile turns to all the people and all political parties and social organizations, urging them to work with all their strength to tangibly contribute to stabilizing this very serious situation that has been created.

PDSh Reports on Paris, Brussels Visits

AU0503215291 Tirana Domestic Service in Albanian 2100 GMT 5 Mar 91

[Text] The Democratic Party [PDSh] organized a news conference today. One of the purposes of this news conference was to inform the wider public about the results of the visits of the PDSh delegation to various European countries.

A delegation, made up of Eduard Selami, secretary of the Managing Commission, Prec Zogaj, and Edmond Rrapo, visited Europe. At its meetings, the PDSh delegation described its political, economic, and social program, and tried to profit from the traditions and experience of political forces in the field of democracy in the interests of the progress of democracy in Albania.

In Paris, the delegation met Mr. Giscard d'Estaing, president of the group of Liberal, Democratic, and Reformist deputies in the European Parliament, and Mr. Jacques Chirac, chairman of the Rally for the Republic.

At the Brussels-based European Parliament, they met representatives of various political groups. At these meetings, support was expressed for the standpoints and program of the PDSh, and a desire was expressed on both sides to develop contacts in the interests of Albania's integration in Europe.

During its visits to Paris and Brussels, the delegation also acquainted itself with the problems of Albanian emigrants there. It observed that the overwhelming majority of them have long ago abandoned the programs of such organizations as the National Front and Legality [Balli Kombetar, Legaliteti], and have formed the Union of Free Albanians, which was welcomed by the PDSh.

Eduard Selami, Prec Zogaj, and Edmond Rrapo answered journalists' questions about the problem of emigrants, European help for Albania, etc.

Youth Paper Interviews Writer Ismail Kadare

AU0503192691 Tirana ZERI I RINISE in Albanian 20 Feb 91 pp 3-4

[Interview with writer Ismail Kadare by Remzi Lani in "France in February 1991": "I Am Convinced That the Albanians Will Advance Toward Democracy on the Road of Democracy"]

[Text] [Lani] While expressing pleasure that you replied to us, may we ask whether there is any reason why you have given your first Albanian press interview since your flight to our newspaper ? What would you like to say to Albanian young people through us?

[Kadare] The reason I have chosen your newspaper is quite simple. You are the first newspaper, not to say the only one, to ask for an interview. Even if this were not the case, whatever newspaper in which I published this interview, I would like my first words to be to Albanian young people, particularly the students, the sons of December, who brought a new climate and new horizons to Albania. It is highly significant that Albania, unlike other totalitarian countries, started its march toward democracy with you. It shows once again that this people has always wanted to be led by reason and enlightened thinking, not blind force. We have reason to be proud of this.

What shall I say to Albanian young people through you? This is genuinely difficult. You have all become so wise in the meantime, and it is difficult to talk to the wise. That is why dictatorships hate wisdom.

I am delighted at many things, the creation of the opposition first of all; I am delighted at everything else that has happened and that I am sure will happen. Albania, which until yesterday prided itself in taking the lead in various grotesque ways, can now genuinely boast of something else. It was the first to create an opposition only three hours after the law was approved; it was among the first to publish only three weeks later a newspaper like RILINDJA DEMOKRATIKE, one of the

best opposition papers in the entire East; it was the first country whose movement was led by students and intellectuals, and so on.

I am also aware of your problems. I know the tremendous poverty, the moral crisis, the despair, and the erosion of willpower. There are undoubtedly reasons to worry; however, I think there are more reasons to rejoice. I have said in another interview, but I wish to repeat, that the times, however grim they may seem, are on our side. There is a spirit of democracy in the world. A united Europe is on the horizon. Hysterical dictators are being punished. All these things are working to the good of the Albanian people and are fatal for those who do not wish this nation well. Is it not a cause for joy when the mainstream of history flows to favor people's future?

I find your anxiety understandable and something sacred. I understand the feeling of emptiness after the initial celebration. The inventory is a sorrowful one. The misunderstandings, torments of conscience, and spiritual dramas are equally serious; however, I still insist that we must not give in to ourselves. One-half of the planet has passed through this calvary, and one- half of that half is still experiencing it. Albania has finally separated itself from that humiliating flotilla in which it sailed for so many years: North Korea, Cuba, China, and the like. This is again a cause for joy. We might say that it has meanwhile overtaken Serbia, and soon may leave behind Bulgaria and Romania. Do you think I am embellishing the situation? That is not something I am famous for doing. I hope you will trust me.

[Lani] In this connection, many people in our country feel the desire to flee. What would you say to us?

[Kadare] Although I understand all the causes that could impel people toward such a step, I think it would be a mistake and a disaster. I do not wish to deliver patriotic lectures, or remind you of the famous song "Come, gather here, here" (It runs "Come, gather here," not "Go, scatter elsewhere"), but I would merely say that in difficult times, when storms rage in the world, peoples gather in their own homes just as families do. The times are truly difficult. There is a growing psychosis against immigrants throughout Europe, especially those from the East. They are slowly coming to be thought of as Mongol hordes.

The Albanians must not join such company. Albania is among the loveliest and richest of countries, among those considered blessed by nature and geography. Europe is the Albanians' home, and although they temporarily left Europe, they will return to it in a dignified manner, because you do not enter your own home as a horde or as beggars.

I would like to add that our longing for Europe must not lead us to exaggerate. Europe is undoubtedly our mother continent, or rather our grandmother, and we who have known what another continent is know how to value her We must not idealize her, however. She is not as compassionate or as wise as is sometimes thought. There are things to reproach (a word in Albanian that also means "to correct") in the way she thinks. As if her errors in the past were not enough—some of which have cost us Albanians dearly—she is still making mistakes. Her excessive attention to matters related to the Middle East (Lebanon, Palestine, and Iraq—her most recent Frankenstein), or in other words to the sandy and oil-bearing reaches of her awareness, has sometimes been at the expense of peoples in her own family, especially the Balkan peoples to whom she has many obligations. Her forgetfulness of some peoples and the aid of billions of dollars she scatters to others according to truly bizarre criteria are evidence of what I have just said. Therefore, while we love Europe and love her with what Migjeni called a "tragic love," we must never forget to ask questions of this aged grandmother and remind her of our presence.

[Lani] In an interview in the foreign press, you talked about the guilt complex and freeing oneself from it. Could you tell us something more about this?

[Kadare] This complex comes to the fore at times of important social changes, like those now taking place in Albania, and accompanies the postdictatorial era as inevitably as winds accompany the end of winter. Many things will depend on the way it is handled. At such times, two paths lie before a country: The first is for everyone to shoulder blame for the times, thus sharing guilt; the second is to demand accountability case by case, and to search through the records for every last detail. History has shown that the first is the only reasonable path. The second leads to anarchy and an endless chain of crimes. It must be said here that common guilt is not an amoral fiction imposed for reasons of patriotism. It always includes a major truth. All dictatorships, particularly in modern times, have succeeded in making guilt something too totalitarian. I have explained this at length in a book I have just published in France. Not to enlarge on this too much, let me remind you that France chose this solution in 1945, when de Gaulle put the records under firm lock and key. Some people today still think that if this had not happened, one-half of the people of France would have attacked the other half with axes. Germany has done this, and Havel has recently done it in Czechoslovakia. I believe the Albanians, who have had more than enough of Slavo-Cambodian methods, will know now and in the future which examples to follow. This will once again show the wisdom and spiritual generosity of the people that gave birth to Mother Teresa. This was the meaning of the settlement of blood feuds that took place in Kosovo in spring last year. I believe the Albanians have correctly interpreted this message, which was archaic only in its costume but deeply modern and political in its essence.

Thinking with a broader vision and on a world scale, it must be said that the Albanians in general have no reason to suffer from a sense of guilt as a nation or to lapse into despair. What happened was a tragedy, a plague of global dimensions. What is now still happening

has similar dimensions. The terrible poverty in the Soviet Union, the economic desolation of some countries of the East, the moral crisis that led the Poles to cast one-third of their votes for an unknown adventurer, and other similar things are nothing but the aftermath of the plague. The Albanians have no reason to despair more than is necessary. A psychosis is spreading with such phrases as: This is the end of everything here; nothing can be done here; the country is finished; etc. These are not merely the words of faint hearts, but, seen against the threat of extermination with which the Albanians are faced today, they have an unforgivable sound.

The more I speak against despair, however, the more I must speak against boasting. We know now where boasting has led us. Today, now that Albania is in its present position, no one has the right to boast. Boasting is a disease that could be revived. There are many things one must try to overcome in passing from one era to another. I am sure that now that the elections are being held, people will ask about many candidates of the opposition parties: "Can this one be a leader?" People still have the idea in their heads that being a leader involves surrounding yourself with guards, motor cars, villas, and an aura of mystery. Get rid of this distorted idea from your minds. Think of leaders as the steersmen of ships in the rain, train drivers, servants, and the monks of democracy, and you will see that you will liberate yourselves, too. Think of the prime minister not as the chief Sybarite, but as the chief servant of the state (which is what the Latin word "prime minister" means), and you will liberate yourselves even more.

The Albanians also have no need to worry about lectures about bravery and courage sometimes delivered by brave lads in Tirana, or brave lads abroad, even in the cafes of Europe. The whole world saw American pilots making obedient statements on television a few days ago. I have had the opportunity to know many pilots. Their profession itself implies courage, and American airmen have always been distinguished for their special courage. In the Gulf war, they were specially trained to confront physical and psychological violence if they were taken prisoner; however, it took a very short time for dictatorship to break them. A mere 12 hours was enough. Think of this terrible pressure continuing for 48 years!

[Lani] In connection with the problems you raised, the writer Kapllan Resuli, in an article published in ZERI I RINISE in Pristina, denies the speculations of some others in the newspaper BOTA E RE, alleging a conflict between him and you. He has said to journalists, "No, No. Kadare had no hand in my liquidation as a person, or my liquidation as a writer." Can you tell us something about this?

[Kadare] Your question is interesting, because it involves the ethics of this new era, the era of democracy. All the countries of the East that have climbed off the Stalinist wagon have encountered similar problems. I have not seen K. Resuli's interview, but if he spoke as you have described, his stand is truly admirable. I am sorry to say it, but the journalist M. Zeka has entered into intolerable speculations in his article on K. Resuli.

I bow down before K. Resuli's sufferings in the prisons of two countries; however, my respect for this martyr cannot allow me to distort the truth. The truth is this: In 1966, when Albanian writers were in an exceptionally difficult situation, K. Resuli had the unfortunate idea of attacking his own Albanian colleagues on the basis of Stalinist dogma. He began the attack on two books, "The General of the Dead Army," and "The Monster" [both by Kadare] at a plenum of the Writers Union, accusing their author of deviating from socialist realism. No one stood up to defend these works, because it was almost impossible to oppose Stalinist criticism at that time. Only the elderly professor Selman Riza had this courage, and he said to K. Resuli: "I am from Kosovo, like you, and I am especially sorry to see a son of Kosovo attack his Albanian colleague in such a way." (A year later, the late Professor S. Luarasi was expelled from the writers' club for his defense of "The General.")

After this plenum, the situation of Albanian writers, and my own with them, deteriorated. "The General" was half-forbidden, while "The Monster" was buried so deep that I have been trying in vain for 25 years to disinter it. Dark forces, principally the Sigurimi, not only did not criticize but praised K. Resuli's "principled Leninist stand." His arrest in 1970 had nothing to do with literature. Those literary personalities who, according to M. Zeka, have told foreign journalists about "the Resuli case" have done nothing but disseminate the version of their old patron.

I hope that the newspaper RILINDJA DEMOKRATIKE, because it has broached this issue, will have an opportunity to explain it unambiguously. I have focused on this point at length, because, in leafing through the Albanian press, I have recently noticed a great deal of speculation, gall, and meanness. Everyone has the right to struggle for democracy, and everyone must do so, including those who have erred, because it was difficult not to err in such difficult times. When some people present themselves as models of morality, start probing, and launch aggressive attacks on others, however, these others also have the right to recall unsavory episodes in their accusers' lives, because their they are, as people say, "spoiling for a fight."

I have recently noticed many moralizers and investigators in the press who would do well to reexamine themselves before launching crusades and probing other people. There is also a great deal of discussion about people's biographies. My view is that everyone has the right to participate in the democratic struggle. It is natural for people to change parties, for communists to leave their party and join the opposition, or vice versa, for opposition people to become communists. Each person is answerable to his own conscience, just as he is responsible for his own honor. Regarding the concern aired in some places about the biographies of outstanding activists of various parties, I think this concern is normal. It happens this way in every

country, and the more distinguished a person is, the more visible he is. In connection with the concern over whether people whose parents were personalities in the opposite party can become involved in, or, more accurately, lead the opposition, I think that they can become involved, but on one condition. These people are obliged to publicly state their stand as different from that of their parents. They should not only publicly state this, but demonstrate it, and they should not admit one thing in public and conceal it in front of their families at home in the evening.

As for the criticism leveled against Democratic Party [PDSh] activists who used to be communists and are now members of the opposition, I think the criticism is misplaced. It must not be forgotten that there were hundreds of communists, as many if not more than others, who strove for democracy in Albania, and suffered and were sentenced for it. I will not provide examples, because if you think a little you will find them yourselves. To exclude communists from the process of democratization means to consciously hinder this process and to consciously add to the numbers of the enemies of democracy. Whom will such a Stalinist approach help? One also hears harsh criticism of the fact that these activists have expressed gratitude to President Ramiz Alia after the approval of the law on party pluralism. I think that this criticism again does not hold water. It is human to show gratitude for an act of justice, and this has nothing to do with conformism or patronage.

Gorbachev has been and still is the leader of the Soviet Communists, and the whole world has shown its gratitude for what he has done for democracy. Gorbachev used to belong to the caste of the dictatorship, and could turn into a dictator again, but there is no way of withdrawing our earlier gratitude. Khrushchev did a lot of demented things before the 20th Congress and later in the sixties, but people do not withhold their gratitude to him for toppling Stalin. In Poland, Jaruzelski committed just as many deplorable acts (just remember that he arrested Walesa, the future president, about 10 times), but everyone gives him credit for avoiding a catastrophe in Poland and recognizing the opposition, although late in the day.

It is no sin to show gratitude. It is sometimes even necessary. The sin is its opposite, ingratitude. I would like to add here that Albania, as always and in everything, is hardly being given any credit for what has happened in the last two or three months. If Albania were a nuclear power or had a lot of oil, everything would be different, and its democratic changes would arouse a lot of excitement. Albania is small, however; being small, Albania is obliged to be wiser. I believe the Albanians are too clever not to realize from what directions, from what standpoints, and for what purposes various comments and suggestions are made to them. They are able to distinguish suggestions coming from those who love them from those offered by people do not. They are equally able to notice when moralizing comes from bystanders who are thirsty for a spectacle. To seek a spectacle at the expense of a people is worse than cynical. It is criminal.

I bellieve the Albanians will contemptuously turn their backs on primitive reactionaries of whatever hue, right or left, young or old, who incite turmoil and bloodshed. They will similarly be able to turn their backs on the pseudodemocratic little ladies, who do not know what they want, to put it mildly. These dark forces, involving and bringing together anarchists, provocateurs, revanchists, demagogues, adventurists, and madmen, regardless of whatever banners they wave, are nothing but the allies of dictatorship. Consciously or not, they are playing into the hands of dictatorship.

I am convinced that the Albanians will find another road and different methods. They will advance toward democracy on the paths of democracy, because a people that knows tolerance, a people that is able to forgive, shows that it is strong and superior. Only the strong forgive; the weak never do. The Albanians have known how to forgive. It is time to demonstrate this virtue again.

[Lani] In a recent interview, talking about the danger of unprincipled squabbles among parties at the nation's expense, you mentioned the Romans' saying: "At such a time, parties are worse than the plague."

[Kadare] It is true that I mentioned this saying. I would never believe that this could happen in Albania. I have the greatest respect for the Albanian opposition, although I have had the opportunity to acquaint myself with the program and press of only one of its parties, the PDSh. I have expressed my opinion that it is one of the most serious opposition parties in any part of the East, and I still hold this opinion. I hope that other parties, too, will complete the array of the opposition. I trust that these parties will assemble the Albanians' demands, thus avoiding the need for endless parties, which is rather absurd for a serious people. I trust that all parties, including the party of the communists, will have the courage to oppose each other over everything that calls for opposition, and the greater courage to agree, if the nation's destiny demands it.

[Lani] One year ago, in our newspaper, you were the first to call for the rehabilitation of writers such as Fishta, Konica, and Koliqi. Have you anything to add to your views today, when these writers are being freely discussed in Albania?

[Kadare] My view remains the same as in recent years. You know that in literature it is like among the stars: Changes take place more slowly than on earth. I have recently read in the press the most diverse views about these writers. All of these views have been understandable and forgivable. Any return, whether of an escapee, a prisoner, or someone who has been banned, is accompanied by an outburst of feeling and by shouts and tears. I am sure that when passions calm down and everything falls into its proper place, these writers and others like them will assume the places they deserve in Albanian literature and the Albanian world. I am equally convinced that they will assume their places naturally, without toppling others, as some adventurers imagine. I am quite convinced that Fishta will be established in the Albanian Pantheon, but in no way above Naim [Frasheri],

that Konica will in no way be raised above Noli, and that this enrichment of the galaxy will not dim the reputation of Migjeni or others. I am led to say this solely by my high opinion and respect for Albanian literature. This is Albanian, not Zulu literature, and no one can cause confusion and commotion on a whim. This literature, regardless of transient incidents, has stabilized during the centuries and its guardian and custodian has been the Albanian nation itself, which has never made mistakes about such things. Adventurers, who want nothing but to preen themselves and make an impression, taking advantage of the country's serious situation, should look for another club and not the temple of literature. Even if the heavens fall, this temple stands firm.

It is a source of joy for a people when its world includes indisputable values. I mentioned the stars a while ago: These values resemble the star to which De Rada turned his eyes to gain courage during an earthquake. This star told him that the world would not collapse.

The Albanian people have many constant stars above their heads, and they must look at them whenever they feel the need for courage.

[Lani] Can you tell us something about the book you have just published in France?

[Kadare] This is a book that I wrote here in France in November and December, and has been issued by the publishing house Fayard in two languages, Albanian and French. It consists of four parts: a chronicle of the events of 1990, correspondence with the Albanian president, meditations and reflections on dictatorship, and accompanying notes. The book is entitled "From One December to the Next" in Albanian, and "Printemps Albanais" in French. The book is as modest as it is complicated. I have tried to forge contact, to talk with, and to help (insofar as one person can help) my compatriots in detaching themselves from one era and embarking on another, through events, portraits, sketches, reflections, and facts.

One part of the book was written at the same time as the events. In this sense, its structure resembles that of a dream, as psychoanalysts explain dreams, in which events are shaped in sleep.

For example, the first part was written in November, when there were still no signs of an organized opposition in Albania. The second part consists of letters written and exchanged since May. The final pages of the third part coincide with the events of December. Because the pages of the book were sent for immediate translation, I was forced to leave it as I wrote it, before other events occurred. I later saw that this was a good thing rather than otherwise, because each part preserves the flavor of the time when it was written. The book went to press on 20 December, but, with the help of the final part—the notes I added at the beginning of January—I was able to add and explain many things that had taken place in the meantime. This is the first time, and I trust the last, that I have written a book in this way.

When I finished reading the manuscript, I saw that the book had been written coolheadedly, or in an epic spirit, if we may use literary terms. This pleased me for two reasons. First, the book had become a natural part of my work and was not "something else," a surprise. (Surprises in literature caused by political changes are not a good thing.) Second, because I wished to speak to my compatriots about national conciliation and overcoming their spiritual crisis, hatred, and revenge, and in short to issue an appeal for humanism, I was at pains to set an example myself, as far as I could. This did not in the least prevent me from telling the truth.

I would not feel at all calm in my own mind if what I have written in this book had not already been considered in my works. Only the form is different: My work is literature, but here facts predominate.

Finally, I would like to add that it was a special satisfaction to me for a great French publishing house to publish a book in the Albanian language for the first time, and in an edition of 10,000 copies.

[Lani] A final question: Will you return to Albania, as you have said, when Albania is fully democratic?

[Kadare] Without a doubt. Without a shadow of doubt. I began by saying that the times are working for the Albanians. I believe that the Albanians will also work for the times. I believe they are doing so, even when they set themselves against the times.

SFRY Newspaper Reports on Domestic Situation

AU0403205291 Skopje FLAKA I VELLAZERNMIT in Albanian 1 Mar 91 p 5

[Mahi Nesimi report: "A Poor Start to Many Matters"]

[Text] Because the exchange rate for foreign currency against the lek is very unfavorable to the lek, those possessing foreign currency—i.e. foreigners—can have a very pleasant and comfortable stay in Albania for very little money. Starting in the final months of last year, thanks to democratic processes, many tourists and other visitors "swarmed" toward Albania for various reasons. I say "various reasons," because in some cases it is unclear why they are there. A few days before New Year's, the mass "wave" of Albanians began, not only from Yugoslavia but also from Europe and the United States. Many buses arrived every hour in Tirana, and they were all welcomed hospitably under the rules of tourism. These tourists, in their "ardent love for the motherland," are eager to talk about their readiness to

help Albania. On the other hand, they change all their hard currency, not at the proper place in the bank, but in hotel corners and in front of the Hotel Tirana, where one can normally find people who "know" the real rate. Then, with a few German marks and a lot of leks, they present themselves at restaurants as capitalists and manufacturers, host several tables full of people, and pay serious money to hear their favorite music, mainly Kosovar songs, etc., etc.

Another category of these visitors who "dearly love" Albania includes those who have the sole aim of opening stores, and especially pastry shops, cafes, kebab houses, pizzerias, etc. "We want to invest, because this country needs foreign investment," says one of them who has his eye on a site that, he says, will be very valuable, not now but in the future.

"I want to be the first to penetrate Albania, the first to skim off the cream," his friend says. "Do you know for how much I signed a contract for brandy?" asks the representative of a private firm from Macedonia. "Eighty cents," his tale continues. "Now I am going to sign a contract for watermelons, and I am very pleased with this year (1991). Comrade journalist, you investigate and write, but I hurry and make money. That is life. Some people report, some people profit," says the "businessman" from Macedonia, and excuses himself because he has a private engagement.

After New Year's, a certain amount of annoyance could be observed among the Tirana populace at the behavior of Albanian visitors to Albania. I asked a well-informed person how this feeling arose.

"Our brothers from Kosovo have broken a lot of rules of behavior and laws. Let us not misunderstand each other. We have also had many kind, cultured, and well-behaved people, but in general we are not pleased at their attitudes here. Some of our own mistakes have contributed to this. Well, brother, one can hardly expect better behavior when there are sometimes only three or four women on the buses that come here. Comrade Mahi, do you celebrate New Year's separately?" "No," I say, and am forced to admit that women are very rarely present in our restaurants, that the level of women's education is unsatisfactory, and that many women are still veiled, especially in Macedonia.

"Do you think the government's promise to supply the market by 15 February is realistic?" I ask a well-known Albanian intellectual. "In no way," he says. "Our economy is in a state of collapse, and the government does not know where to start. I am sorry for the new members of the government who were chosen. They are young and able, but they will burn their fingers in this chaos. Political currents are also not flowing toward economic stabilization. Foreign backers, all those who want to invest, are first interested in the safety of their investments, and there is no sign of political stability in our country." This intellectual's complaints continue: "I think the situation will become even worse in the days to come, with more social turmoil. The Democratic Party [PDSh] will try to exploit all this to fight against the Albanian Workers Party [PPSh] and the state, and I do not know where we will end up. I like the Republican Party's policy of not holding rallies, but conducting discussions among its supporters about the present situation and the future. We should listen to what the people want, not to what the parties promise. I am for dialogue, not rallies," this intellectual says calmly, and with a degree of fear of the future.

Meanwhile the PDSh continues its activities, holding meetings with intellectuals. One hears calls for a greater involvement of the intelligentsia in its ranks. Lawyers and economists are asked to make a greater commitment, because, a speaker says at a meeting of the Tirana Branch with intellectuals: These cadres should shoulder the burden of the party's work at the present time. A more radical group within the PDSh has no patience, as if there were a year to wait until the elections. It demands a harsher confrontation with the ruling party, which still, they say, persists in its old methods of persecuting and mistreating its opponents.

All this leaves one with the impression that matters in Albania will develop according to unwritten laws. Everyone expresses the view that the present regime must change, that a great deal of time has been lost, that the economy is the main thing, that Europe should be more favorably inclined toward a communist Albania, that the country will fare very badly in the future if migration continues, that the entire political and economic situation must be changed, that there are very marked contradictions, that intolerance is growing fast, that if many matters from the past are opened up there will be major conflicts, and that everyone is in some way responsible for the present situation, alongside many other things that go to make up the mosaic of Albania today.

"I am heart and soul with the PDSh. It opened our eyes. All my family will vote for it," says a 50-year-old man, who has just prayed in the Tirana mosque after 25 years.

"Comrade journalist, do not try to persuade me in any way. I know everything. The PPSh brought us all our benefits. It put us on our feet and made human beings out of all of us. You can only find the truth in ZERI I POPULLIT, not in RILINDJA DEMOKRATIKE," says a well-dressed women, who has just arrived for a family dinner with her Albanian friends from Yugoslavia in the Hotel Tirana.

I leave Albania convinced that I will return for the elections, and convinced that everything will take place according to the rules of genuine democracy, because Albania has people who know what is best and how to attain it. Nevertheless, there are harmful trends. Things happened that made the situation very unclear. Nevertheless, let us say again that this country possesses intellectual potential and true democrats alongside many dogmatists. Let us hope that the Presidential Council

and the new provisional government will not allow the pace of democratic processes to slacken.

* Lazri on Tozaj 'Attack' in Opposition Paper

91P20241A Tirana ZERI I POPULLIT in Albanian 19 Feb 91 p 3

[Article by Sofokli Lazri, director of the Institute for the Study of International Relations,: "The Bitter Fruits of Megalomania"]

[Text] I know that many of my former partisan comrades, friends, and colleagues might criticize me for this reply. They are right. It is not within the norms of Albanian morality to respond to such base attacks, especially when they are of a personal nature.

I am asking everyone's pardon. I am not responding for personal reasons. I am doing it because I see that in a certain press there is an effort to create an atmosphere of intolerance, moral persecution, and political denigration, which constitute a danger for the future of the country.

I do not know Neshat Tozaj. I never talked to him, had a cup of coffee with him, or had a cigarette with him. I have not been in any meeting or any discussion with him. I have not had any work-related contact with him, at any time and on any subject.

I am, therefore, thoroughly amazed at the anger, at the uncontrolled swarm of insinuations, abuses, and insults addressed to me that I read in the 16 February 1991 issue of RILINDJA DEMOKRATIKE.

I heard his name for the first time at the end of 1981 when he wrote Enver Hoxha a letter informing him that activities that were in conflict with the party line and with state policy were going on in the Ministry of the Interior. At that time, he was thought to be an exemplary Sigurimi worker and a very vigilant individual. They heaped other words of praise on him that are normally given to people who have participated in such revelations.

I do not know where he went and where he worked after that, or how his career developed. In the article mentioned above, he wrote that, in the institution in which he worked, referring to the Ministry of the Interior, he used to drink coffee and have friendly talks with a superior. It is laudable that he does not forget the place where he worked and his fellow workers.

Later on, I heard that he had written a novel entitled *Thikat* [The Knives]. I intended to read it, but I decided not to after it was stated in the press that the book had no artistic value. As for the knowledge or information that he provided, it consisted only of the aforementioned letter.

I saw a police film with a script written by him that seemed to me to be a panegyric for the "silent heroes." He did not frequent the official, political, scientific, or intellectual circles where I could have met him.

So these are all my direct or indirect contacts with him.

Now I will address his article, "The Bitter Fruits of Democracy." It is closer to a political police denunciation than a piece of journalism. It is of no importance whether this is the result of his professional deformation or of the lack of culture of the writing. Let us look at the facts.

He writes: "It is known that 'ZP' (ZERI I POPULLIT—my note), as an organ of the Albanian Workers Party, is directed by the Central Committee. Recently, it is or is not said openly that Professor Sofokli Lazri directs it." Among the functions that he attributes to me are: director of the press, Albania's representative to UNESCO. He says that the title of professor was given to me more as a reward for bureaucratic-administrative work, that I am an amateur in science and in politics, that he checked a translation from the Russian of a series of lectures on "International Relations and History—1870-1956" that I gave at Tirana University 20 to 30 years ago, as well as data on my habits, my life-style, etc.

Since Neshat Tozaj wanted to comment on my political, scientific, and diplomatic activity and on my life, he could have asked me for information, since I am still alive.

For example, regardless of whether he might think of me as a professional or an amateur in my work, I would have advised him that in every science—including the juridical sciences, in which he now claims to be a competent specialist—the words "it is known" and "it is said" cannot be used to prove facts or to support arguments.

Then, I would have told him that I have not directed ZERI I POPULLIT since 1966 when I left the job, that the director of the press in the Council of Ministers is Genc Kondi, that there is no director of the directorate for the press in the Central Committee of the Albanian Workers Party, and that our representative to UNESCO is the Albanian ambassador in Paris and, in his absence, the charge d'affaires.

I would have said that I never worked in any administrative position, and that I spent all my time studying international relations.

Also, I would have told him that I am presently doing a study on the consequences that will result from the war in the Persian Gulf for the world, especially, for Albania, and that I am carefully following the situation and developments in Yugoslavia and trying to determine the fate of Kosovo, if the Yugoslav state disintegrates, as well as what might happen to Albania in such circumstances, what the People's Socialist Republic of Albania can do about Kosovo, and what Albanians can and must do in these situations, etc.

These studies are not for publication. They are not journalistic pieces or writings to add to the files that

Neshat Tozaj is monitoring. They are forecasts that might enter into the work of the central services, the leaderships of the different parties, and the studies of certain interested parties. I would have added that my works, which he questions, are not those that he found "in the desolate card file, under the letter, in the National Library." I would have told him to look at the card file of political articles and publications inside and outside the country where he will find dozens, if not hundreds, of studies on Albanian-Yugoslav relations and on Kosovo, which particularly represent the most complete chronicle of the attitudes that have existed and that current and future scholars will have to examine to determine the attitudes on this issue, to determine how events were judged, the positive and negative aspects, the merits and defects.

If he had met me and asked me if I had written lectures on the history of international relations, he would have been spared that exhausting task of checking the relationship between my text and the Russian text. I have some doubts about his knowledge of the Russian language, however, because these texts cannot be found everywhere. If he has done this checking, he has gained a great experience that is essential for all beginners in the area of political science. I know that the history of international relations is not taught in the Sigurimi schools where he studied. Then I would have explained to him with satisfaction how pedagogical lectures are derived from texts, monographs, studies, essays, tracts, etc., so he would not become confused when he wrote.

As for his attacks on the journalists from ZERI I POPULLIT and other press organs, these people are capable of defending themselves and the truth.

From the article, "Bitter Fruits of Democracy," and from some other articles of Neshat Tozaj, it is not hard to understand that he suffers from a megalomania complex and from a feeling of despair that makes it impossible for him to succeed in society. This social type, which is found particularly among untalented and unsuccessful writers, artists, and scientists is well-known. To succeed, some of these people do their utmost to associate only with important and outstanding people, to join their clubs, to have their pictures taken with them, to get their autographs, etc. They launch attacks, with words and with writings—when they find any newspaper, no matter how small, that will publish them—against heads of state, ministers, city officials, directors of banks, presidents of firms, etc. to attract the attention of the public and to amaze people who know them. They write about the Constitution. They write open letters. They draft programs for election campaigns, and they publish them. They prepare studies on how to emerge from the crisis, how the economy should be reconstructed in the 2lst century, etc. They spend any amount of money to attract even the slightest favorable opinion, albeit microscopic. Their names are often found on the lists of candidates for presidential elections. Regardless of whether they receive any votes, they publicize their greatness.

In an article published in RILINDJA DEMOKRATIKE entitled, "Is I. Kadare Under Surveillance?" Neshat Tozaj describes his own personality. He explains that two former Sigurimi employees had been asked to tell how "two people, I. Kadare and N. Tozaj, could be investigated."

In the article "Bitter Fruits...," he says, without a bit of modesty, "as an intellectual, I feel very close...etc." Real intellectuals never speak this way about themselves, and it even causes difficulty for them when someone calls them by this name out of admiration and respect.

People who are suffering from the sickness of the delirium of arrogance, however, use bombastic statements and extravagant activities as tranquilizers. Without these, they do not do anything, just as they do not do anything without sentences from Zeus, without sensational dramatizations, and, especially, without mysterious explanations or mystical prejudices, especially regarding political and social issues. Furthermore, because of the sensitive nature of these issues, they often find not only listeners but admirers.

In conclusion, I would like to say one more thing: Neshat Tozaj reminds me of the walls of an inn in my native village. First, the Italian soldiers destroyed it and then the Germans burned it down. Should there be talk about not "rebuilding" it because someone might burn it again?

May the gods protect Neshat Tozaj from this sad fate!

Italian Parliamentary Delegation Continues Visit

Received by President Alia

AU0503204291 Tirana ATA in English 1858 GMT 5 Mar 91

[Text] Tirana, March 5 (ATA)—The chairman of the Presidium of the People's Assembly, Comrade Ramiz Alia, received at the Palace of Brigades the Italian parliamentary delegation, headed by the chairman of the Foreign Affairs Commission of this parliament's House of Deputies, Flaminio Piccoli.

Comrade Ramiz Alia had a warm and friendly talk with the Italian parliamentarians.

I am very happy to meet you again, he said to Mr. Flaminio Piccoli. I believe that our acquaintance and friendship will make us closer also with other parliamentarians. Comrade Ramiz Alia pointed out to the good friendly relations existing between our two neighbouring countries, whose peoples have loved and love each other. Albania, he said, has always been interested in further strengthening these relations, more so now when it is promoting the processes to democratize the life in the country. The visit of your delegation is a manifestation of strengthening friendship and cooperation between our two countries.

We are very grateful for the invitation extended to us to visit Albania again, having into consideration also the time we come, Flaminio Piccoli said. Our first observation is that your work, Mr. President, is evaluated with respect by the political forces at home. You have performed many fruitful things within few months and we ourselves testify to this. We congratulate you for your courage and initiative, for the steps forward, especially in the current stage of the electoral campaign. It is only through the authority of a leader like you, who knows the situation, that Albania is succeeding in ushering in the road of democracy, painlessly.

The parliamentarians, representatives of various political parties in Italy, got interested with good will and preoccupation in the events that have taken place in some cities of Albania, recently.

Dwelling on these events and the character of the transformations taking place in our country, Comrade Ramiz Alia said that all should be well acquainted with the past of Albania, which is radically different from the countries of the East. The Albanian people have won freedom through their own struggle coping with the invaders without the help of any foreign soldier. This is a reality; no parallelisms can be drawn without knowing the past, the character and virtues of our people, their culture and customs. Our people are a people with a sense of pride and value their past.

After pointing out the successes achieved over the 46 years of the postwar period, Comrade Ramiz said that, surely there was still much to be done, because not everything was done as it should, but the progress is likewise clear.

Actually, he said we have committed ourselves to realizing a democracy of a pluralist character. Democracy is a good deed, but its realization is not so easy, the democratic developments should be based on the Albanian reality. I understand your wish that Albania develops on this road as soon as possible and I assess it as a sign of belief in our people and country. We wish to go towards Europe with clear thoughts, with culture and dignity.

The oppositions, Comrade Ramiz said further on, play a specific role on the road of the democratic developments. They are now set up but we have lacked tradition. The March 31 elections will bring about a new political development. It is of importance for us to set up a parliament with different political parties, so that they have as an aspiration the country's freedom and independence, its further socioeconomic development.

There exists a mentality in certain people that with the realization of the multiparty democracy the world will open their stores for Albania, and this mentality has its own consequences. We uphold that it is only the work of our people that will lead this country to economic prosperity.

Dwelling on the relations between Albania and Italy, Comrade Ramiz Alia said that they should be more intensive, as we have lost much time. In this context he pointed to the need of increasing contacts between delegations and top personalities of both countries. "The music" of Albania's isolation is out of fashion. Albania has not been for isolation. No one can think of a small country not wish relations of friendship and cooperation with the big world.

Comrade Ramiz told the guests that the strengthening of the relations between Albania and Italy will be also in the interest of your country. Therefore, he said, more attention is expected from Italy to Albania, in the context of its Balkan policy, as well from other European countries. He voiced his conviction that cooperation with the Italian parliament will contribute to the development of democracy in Albania.

The fact that the interest in the world on the democratic developments in Albania is mounted, Mr. Flaminio Piccoli pointed out, is a positive factor that will influence in the socioeconomic development of your country. We will ask our Parliament and government, which devote a special importance to this visit, to help Albania as soon as possible. We are convinced that the democratization process in your country will be always carried ahead and that the March 31 elections will be free.

Attending the reception was also the secretary of the Presidium of the People's Assembly, Sihat Tozaj.

Present was also the ambassador of Italy in Tirana, Torquato Cardilli.

Meets With Premier Nano

AU0503204591 Tirana ATA in English 1914 GMT 5 Mar 91

[Text] Tirana, March 5 (ATA)— Comrade Fatos Nano, chairman of the Council of Ministers of the PSR [People's Socialist Republic] of Albania received at the prime minister's seat on March 5 the Italian parliamentary delegation, headed by Flaminio Piccoli, chairman of the Foreign Commission of the House of Deputies of this parliament.

The Albanian premier briefed the members of the Italian parliamentary delegation with the key moments of the development of the political and economic situation in our country. The reforms we have initiated, he said, will undoubtedly lead to the attainment of European standards in all the fields. This will make it possible for Albania to become member of the CSCE process with full rights, but the other European countries too should contribute to this end. We consider the visit of your delegation at these moments as a support on the road of the promotion of the democratic processes in Albania.

Answering the parliamentarians' questions, Comrade Fatos Nano said that the departure of Albanian citizens to the other countries has long since been solved from

the juridical point of view. Italy may render its contribution that some of the economic problems that make several Albanian citizens leave their own country, keep gradually mitigating through the Italian investments in Albania, etc. He also said that Albania's destabilization is neither to the interest of the Balkans nor of Europe.

Mr. Flaminio Piccoli said that March 31 is a fundamental moment not for Albania alone. The whole Europe is interested in the correct conduct of the first pluralist elections. During the meetings we had in Tirana we observed that all the political forces consider President Ramiz Alia as an important reference point for the democratic development of the Albanian society. Our delegation will try to exert its influence on the promotion of bilateral economic cooperation as well as for granting the urgent nutritious aid we have agreed upon.

Regarding the problem of the Albanian refugees who emigrated to Italy recently, Flaminio Piccoli said that the Italian television, wanting to display the humanitarian commitment of different authorities, has influenced negatively, creating the illusion that all of them who have come to Italy have a guaranteed future. All the members of our delegation, being deputies, know it quite well how difficult is the problem of employment in Italy.

During the meeting, which passed in a warm and friendly atmosphere, views were exchanged concerning problems of bilateral cooperation and the situation in Europe and the world.

Attending the reception was also Aleks Luarasi, secretary general of the Council of Ministers.

Present was also the Italian ambassador in Tirana, Torquato Cardilli.

Confers With Foreign Minister Kapllani

AU0503204791 Tirana ATA in English 1922 GMT 5 Mar 91

[Text] Tirana, March 5 (ATA)—On March 5, Albanian foreign minister, Muhamet Kapllani, received and had a conversation with the Italian parliamentary delegation, headed by the chairman of the Foreign Commission of the House of Deputies of this Parliament, Flaminio Piccoli. During the conversation, both parties laid the stress on the determination for establishing new relations between Albania and Italy not only in the aspect of economic aids that may be granted to Albania by this country, but as Mr. Piccoli said "to the extension of these relations to the scale of mutual solidarity."

The Albanian foreign minister said that we are living at present in the period of great integrations taking place on a European scale and broader. Albania takes an active part and firmly supports the inter-Balkan cooperation, which is considered as a component part of the European processes. In this context, he said, we consider Italy our main partner for an all-sided and fruitful cooperation. During the talk, he aired Albania's view for cooperation amongst regional groupings, such as that with the Pentagonal. Regional cooperation, he said, should become a factor influencing in the European integrations.

On his part, Mr. Flaminio Piccoli appreciated the positive development of the process of democratization in Albania, expressing the conviction that these reforms will further deepen. [Word indistinct] laid the stress on the readiness of the Italian party to contribute to the normal development of this process.

During the meeting it was also spoken on the problem of emigration, which has become sharp particularly in the East European countries. Albania wants to settle this problem through agreements and understanding with the governments of European states, Italy included. They exchanged views also on some developments in our region.

This meeting was also attended by officials of the Foreign Ministry as well as the Italian ambassador in Tirana, Torquato Cardilli.

IMF 'Working Mission' Arrives for Visit

AU0503143091 Tirana ATA in English 1155 GMT 5 Mar 91

[Text] Tirana, March 5 (ATA)—A working mission of the International Monetary Fund led by Professor Mario Bleher [name as received] arrived in our country. At the airport it was welcomed by Comrade Kamber Myftari, vice director of the Albanian State Bank; Anastas Angjeli, vice minister of finances, and other comrades.

The mission will stay in our country a fortnight and will cooperate with bank financial organs such as with the ministries and other central institutions for Albania's adherence to the International Monetary Fund and other international financial organisms.

SDS Official on Party Political Orientation

AU0503083191 Sofia DUMA in Bulgarian
27 Feb 91 p 5

[Interview with Filip Dimitrov, chairman of the Coordinating Council of the Bulgarian Union of Democratic Forces, SDS, with Mila Manova; place and date not given: "The Political Orientation of the SDS Has Not Changed"]

[Text] [Manova] Mr. Dimitrov, what are the most important developments within the SDS, how are they evolving, and along which lines are they proceeding?

[Dimitrov] From a certain point of view the SDS is developing favorably, and common sense is beginning to prevail. On the other hand, this development somewhat restricts the methods available to us. The prevailing common sense seems to be replacing certain very emotional, or esthetic means of making an impact, which made our political spectrum more varied in the past.

[Manova] Could you commit yourself with a definite opinion on the SDS's political orientation? Can you discern any shift to the left, or to the right?

[Dimitrov] The political orientation of the SDS has remained unchanged. Its chief objective is to establish normal, civilized human relations in our country and a system under which all traces of the former communist government and administrative system in all spheres of life—namely in the economic and in all other sectors—have ceased to exist.

[Manova] This is a well known principle that was proclaimed in the union's election platform, but it is still an abstract concept. Could you describe some more specific, practical actions in this respect?

[Dimitrov] Such actions can only be implemented through legislation, government measures, and by providing appropriate incentives for certain initiatives. So far, the SDS did not have any opportunity to participate in the administration of the country. The Socialist Party [BSP] has never agreed to engage in such fundamental reforms because they are in contradiction with its nature as a political organization. The implementation of such tasks is not within the BSP's capacities.

[Manova] This is a rather "original" thought. Nevertheless, the SDS has a certain share in the exercise of power at all levels today.

[Dimitrov] We have clearly stated our opinion on the political system. The political system as a state structure is not just an established institution, it depends upon the application of legislation. As you see, we have a legislature and a legislative democracy exists in our country today, however, we cannot say that we have already created the legislative system. As a result of the communist inheritance, things are so distorted in our country that the relations between the institution we call power and the activities that should not have anything in common with the services of power continue to exist. A formal, constitutional-legislative change of the system is not sufficient, while the slow progress toward real change through economic reforms is rather painful. It is bound to be obstructed at each step by those forces that have got used to having a place in this form of relations.

[Manova] Why have two Christian Democratic formations emerged within the SDS? What kind of trends do they represent?

[Dimitrov] Their emergence simply indicates an orientation toward Christian values, and I would even say toward religious faith, despite the fact that it is a long way from Christian values to real faith. This is perhaps a real trend. The future will show how it will develop.

[Manova] The contradictions within the SDS, the existence of three major groups—namely the old left-wing parties, such as the Bulgarian Social Democratic Party [BSDP], the Nikola Petkov Bulgarian National Agrarian Party [BZNS], and the center of young right-wing parties—until recently did not prevent the union from expressing common stands. Will it be so in the future? Evident symptoms of controversies on certain problems have emerged.

[Dimitrov] The SDS came into existence as a rallying point for various mass movements and parties. The parties began to prevail over the smaller movements, which shows our current degree of structural evolution. The internal borderlines between the various SDS formations have become more pronounced. Such internal differentiations are by no means dangerous. We have always stated that the SDS represents a whole political spectrum and that it is a provisional organization aimed at liberating the country from the burden of totalitarianism. We have always said that the SDS is bound to disintegrate into its component parts one day. How many parties will emerge from it and when this will happen is another question. I am convinced that only the larger structures within the SDS and not all individual parties and movements are going to survive, but this is only my personal view.

For the time being, we have not accomplished our main task—namely the liberation from communism. History has its own logic, and I think that if some organization should rashly break out of the SDS at this very moment, it will not be very successful. I am convinced that the leaders of the opposition are sensible, broad minded, and experienced people, who would not consider committing such a mistake under the present circumstances.

[Manova] How do you evaluate the SDS's behavior in the legislature?

[Dimitrov] The Coordinating Council is seriously discussing the work of our legislative faction in the Grand National Assembly. Our objective is to treat our legislative work with the highest sense of responsibility. I am in a privileged position because I observe these activities from the outside. I do not know what I would say if I

were exposed to the "fire," namely to the insulting remarks and outrageous acts of the BSP in the legislature. As an outsider, I would like to see our legislative faction as a more disciplined, better organized, and more sensible group.

[Manova] We do not feel any particularly substantial support on part of the SDS for the economic reform, for the time being at least. Do you intend to strive for a more categorical approval?

[Dimitrov] You are making an erroneous statement that you then ask us to deny. The SDS has clearly expressed its resolute support for the economic reform. Something else is obvious—we cannot be overjoyed and exult over a reform that, especially in its initial phase, will have such a great impact on our people. They are suffering precisely because it was your party that brought us to this state of affairs. This is a shock for all of us and it is not appropriate for the SDS to express any enthusiasm. We support the reform, which is our country's last chance and should not be postponed. We do not claim that this is a most brilliant beginning. The reform has to start from a certain point that we have reached in our economic development. It is not our fault that so much time was wasted and the initial phase of the reform was delayed. The SDS lost the elections precisely because we insisted on the reform! While the other side never stopped talking about the notorious "success," we explained to the people the great trials awaiting them and the hopelessness of their situation. You can see now how right we were.

[Manova] I could object by citing many facts on this point. Everyone is entitled to his own opinion. This stand of the opposition has been expressed on several occasions. I have the feeling that Andrey Lukanov has become an obsession for the opposition, a sort of SDS syndrome. The daily DEMOKRATSIYA promoted him to be a central political figure.

[Dimitrov] It was, however, the BSP that actually helped Mr. Lukanov to remain at the top, something that was not even to his own benefit, as a matter of fact. Attention focused on him. This might cost him a lot of trouble one day.... I am a Christian and cannot rejoice at his misfortune, which might be inevitable. Nevertheless, despite all the crises in the legislature, I think that common sense is gradually prevailing among our representatives.

[Manova] Are you disturbed by the fact that, under certain circumstances, the SDS Coordinating Council is authorized to force its members to cast a given vote, under the threat of being expelled?

[Dimitrov] In my opinion you are trying to manipulate the question. Everyone is responsible for his own actions. You cannot be member of a legislative faction and claim to defend its views, while at the same time demanding a secret ballot, so no one knows how you are voting. The entire prestige of a legislative member is at stake when he defends his position. The idea that one's vote shall not be subject to the judgment of one's own faction actually means a moral disgrace for a deputy. Another question is that we consider discipline dangerous when it threatens people with the axe (as is the case in the world of totalitarian systems, figuratively speaking). There is no axe backing the discipline of SDS members. In our case discipline is a moral obligation toward the organization. There are critical moments in which the decision you just mentioned is absolutely natural.

[Manova] Numerous situations of crisis are expected to arise in the near future. Future social unrest cannot be excluded considering the current price increases and the further deteriorating living standard. Will the SDS try to influence the people with common sense?

[Dimitrov] The SDS has always tried to talk common sense. On the contrary, we are more often reprimanded for our restraint, for not waving our banner and shouting: "Forward!" This has never been our style.

[Manova] Nevertheless, you cannot deny that the SDS has supported certain forms of unrestrained public pressure over the state institutions. Opportunities of heading a movement of discontent have always been a temptation.

[Dimitrov] I already stated that we support the government's economic reform and that we do not subject its implementation to any doubts, being guided by the country's and people's interests, which require a prompt change of the whole system. This means that we should support a successful beginning of the reform with a minimum of sacrifices. If any stormy reaction should result from the difficult economic situation, we shall respect the people's right to express their opinions and engage in individual, or collective actions in defense of their own interests. If such manifestations should be directed against the reform of the system, we shall certainly call for whatever behavior we consider most sensible.

Credentials Committee: Ganev Election Incorrect

AU0603081391 Sofia BTA in English 2153 GMT 5 Mar 91

[Text] Sofia, March 5 (BTA)—In the report of the legislative Credentials Committee presented this evening it is proposed to cancel the election of Stoyan Ganev, the co-chairman of the legislative Union of Democratic Forces (UDF) [SDS] .

It is pointed out in the report that the elections held on June 10, 1990 for the Seventh Grand National Assembly are legitimate.

Stoyan Ganev was elected in the second round on the majority representation list. After the related documents, ballot papers and protocols had been examined by the Credentials Committee, the socialist MP's proposed to accept that the candidate of the Socialist Party and Ganev's rival had been already elected in the first round.

The Credentials Committee approved the report with 28 votes for, four votes against and five abstentions. Petur Kornazhev, a lawyer and deputy chairman of the committee, signed the report making a minute of dissent.

The Socialists hold the majority both in the Credentials Committee and in the legislature. The committee was chaired by Bishop Pankratiy, but he resigned about a month ago for reasons of health.

Under the law, the Ganev case, and the report could not have been discussed today anyway. This will be probably done at the next legislative sitting.

Ganev's rival who was actually elected according to the committee, has stated several times in the press that he is giving up his seat in favor of the UDF leader.

UDF spokesman Mikhail Nedelchev stated in the lobbies this evening that by attempting to cancel Ganev's election, the legislative majority wants deal with him and put an end to his political career. The UDF calls upon its supporters to express their attitude towards MP Ganev organizing collection of signatures and other drives.

When the scandal with former UDF leader Petur Beron accused of cooperating with the Secrets Services broke out and Beron resigned from his post, Ganev told journalists in the legislative lobbies that according to the rumors spread by the Socialists he would be next on the list of UDF key figures who the Bulgarian Socialist Party wanted to discredit. The hypothesis that certain people are trying to eliminate Ganev has been defended of late not only in the press. Ganev is a specialist in constitutional law and now the Bulgarian Legislature is working hard on the new constitution. Yesterday the leaders of the UDF appealed to step up matters and draft the constitution by the end of March the time limit specified in the agreement the political forces signed at the beginning of the year.

Tomov Reports BSP Membership at 500,000

AU0503163091 Sofia BTA in English 1503 GMT 5 Mar 91

[Text] Sofia, March 5 (BTA)—"The Bulgarian Socialist Party (BSP) which succeeded the former Bulgarian Communist Party has about half a million members," Mr. Aleksandur Tomov, secretary of the BSP Supreme Council before he was elected deputy prime minister, said at a press conference today. According to the data released by Mr. Tomov, most of the BSP members are over 60 years of age—30 percent, 22 percent are in their forties, 23 percent in their fifties, 18 percent in their thirties, and 5.6 percent are under thirty.

The analysis of the party's social structure shows that the predominant part of its members are workers (21 percent) and employees (20 percent).

Before November 10, 1989, when the then Bulgarian Communist Party had a monopoly on power, its members were about a million. The BSP won the legislative elections in June 1990, but since then its membership has been at a low ebb.

Council of Ministers Approves Customs Reform

AU0403211891 Sofia BTA in English 2016 GMT 4 Mar 91

[Text] Sofia, March 4 (BTA)—From April 1 there will be 28 custom-houses instead of the two central offices operating now in Sofia and Plovdiv. They are intended to reduce the workload of the customs posts at the border crossings, which now do most of the work, and to facilitate customs controls for Bulgarian and foreign businessmen.

Today the Council of Ministers endorsed the new customs regulations which applies the standard customs declaration of the EC and the European Free Trade Association. About 900 new customs officers will be appointed.

The cabinet endorsed the Bulgaro-Yugoslav agreement of June 1990 which relaxed the entry clearance for permanent residents of the 20-kilometer zone on both sides of the border.

Zhivkov Trial Continues, Witnesses Testify

AU0503165791 Sofia BTA in English 1634 GMT 5 Mar 91

["Rumor in Court"—BTA headline]

[Text] Sofia, March 5 (BTA)—One of the witnesses at the trial of Todor Zhivkov and Milko Balev said that the current practice of paying allowances to the MP's does not differ from the practices of the totalitarian regime. "The common element in both of them is that such practices have never been made public," Mr. Vasil Kolarov, former president of the National Bank of Bulgaria, now a socialist MP, said at the trial.

Last week Todor Zhivkov and his defense insisted on comparing the expenses incurred for the maintenance of the past and present top administrative institutions. The former No. 1 said that after his pre-trial detention he was to be presented a report on the matter, but the people who prepared the report got scared at the last moment and did not give it to him.

Today the following witnesses testified in court: Zhivko Zhivkov, former first deputy chairman of the Council of Ministers and member of the Politburo of the Central Committee of the Bulgarian Communist Party (BCP), Vasil Kolarov and Veselin Nikiforov, both former presidents of the National Bank of Bulgaria, and Dimitur

Stoyanov, a long-time minister of the interior and member of the BCP Politburo.

Boris Dzhibrov, former head of the State Protocol, and Pencho Kubadinski, former Politburo member who also held a number of important government posts, did not appear in court although they had been summoned to give evidence. It was announced that Boris Dzhibrov was ill. As to Pencho Kubadinski, a word got round that he had gone hunting.

Zhivkov's defense raised the problem of publicity again. His lawyer Mr. Shkolagerski demanded that the judges should warn the journalists attending the trial against publishing facts from the witnesses' testimony. Mr. Shkolagerski was especially critical of the national television. He warned that if tonight the national television broadcasts reports of the trial as it did last night he will insist on disallowing the admittance of the TV crew to the courtroom.

Mr. Shkolagerski said that the trial is held in an abnormal atmosphere and that public opinion is being manipulated.

The witnesses answered questions on the charges.

Former Leaders Testify at Trial

AU0403192291 Sofia BTA in English 1800 GMT 4 Mar 91

[Text] Sofia, March 4 (BTA)—The witnesses at the trial against Todor Zhivkov and his closest aide Milko Balev disclosed that a member of the party and state apparatus under Zhivkov could well earn about 50,000 leva a year in salaries and lawful, privileges.

The prosecutor, Mr. Krasimir Zhivkov, recalled that at the same time an average Bulgarian got 2,000 to 3,000 a year. Mr. Grisha Filipov and Mr. Georgi Atanasov, both prime ministers under Zhivkov, said the money they had received was not a privilege but an inalienable attribute of power.

Mr. Stoyan Ovcharov, former alternate member of the Politburo of the Central Committee of the Bulgarian Communist Party [BCP] and minister of the economy and planning, Mr. Kiril Zarev, secretary of the CC [Central Committee] of the BCP and chairman of the State Planning Committee, Mr. Stanish Bonev, alternate member of the Politburo and chairman of the Planning Committee and Mr. Grigor Stoichkov, alternate member of the Politburo and deputy chairman of the Council of Ministers, were called to testify in court.

According to the witnesses, the system of government was the main reason for the abuses in Bulgarian society before November 10, 1989. The one-party system, the centralized power, the democratic centralism, the monopoly on information opened a gap between the rulers and the people, it was said at the hearing today.

The witnesses testified on the charges against Zhivkov and Balev: abuse of authority, gaining advantage by means of deception, embezzlement, malfeasance.

Some of the witnesses described Zhivkov as domineering, willful and ready to assume responsibility at critical moments. His ambition was a product of the system,, one of the witnesses said. Another denied that the former head of state was a corrupt criminal. Mr. Georgi Atanasov dismissed allegations that by granting money not subject to accounting Zhivkov had sought to create a circle of loyal aides.

Some of the witnesses insisted that the system of granting money was imposed not only for internal but also for international reasons. Such privileges were not a Bulgarian invention. They existed not only in the other socialist countries but elsewhere as well. Being well-off, the top officials could dedicate themselves entirely to their work, Grigor Stoichkov said.

Zhivkov kept quiet in court except for making protests once or twice. Mr. Grisha Filipov resented the fact that the indictment can be bought at every street corner and claimed that that was how he came to learn about the charges against Zhivkov and Balev.

Zhivkov's defense lawyer said that the publications on the trial pose a serious threat to the normal work of the court. She insisted that presiding judge Ms. Stefanka Stoyanova warn the journalists that they are not allowed to publish a single line from the evidence. The court sustained the defense's objection and reminded the journalists their obligations under the Bulgarian Penal Code.

Tomorrow the hearings will continue with questioning of another six of the 247 witnesses in the case.

Education Official Defends Turkish Classes

AU0603080691 Sofia BTA in English 2142 GMT 5 Mar 91

[Text] Sofia, March 5 (BTA)—The unrest in the regions inhabited by a mixed population stirred up by the decision on the experimental study of the Turkish language as an optional subject in the Bulgarians schools has not ceased.

Today is the fifth day of the hunger strike declared by some children in Shumen in protest against the opening of Turkish classes. Parents have also joined the strike. The strikers are 16.

Protest drives have been organized in Razgrad and Khaskovo demanding to impose a moratorium on the decision. The ultimatum made by the Bulgarian nationalistic organizations on the president requiring him to revoke the decision expires tomorrow. On the other hand the ethnic Turks insist on receiving a clear reply as to when their children will start studying their mother tongue.

Today the deputy minister of national education went on television to say that the ministry will firmly stand its ground, besides, he said, classes in other languages spoken in Bulgaria will also be opened. I just cannot understand these people who protest against the study of the Turkish language, because they do not defend their rights in this way, in actual fact they violate their compatriots' rights, the representative of the ministry said.

Unrest Over Turkish Classes in Kurdzhali

AU0503120791 Sofia Domestic Service in Bulgarian 1000 GMT 5 Mar 91

[Text] Today the members and supporters of the Bulgarian National Radical Party in Kurdzhali organized their second warning blockade. Once again they stopped traffic on Georgi Dimitrov Avenue at 1000, just as they did yesterday. Today's blockade lasted 30 minutes and yesterday's 15 minutes. We will repeat the demand raised on the first day of the blockade, which reads as follows:

Unless the president of the Republic repeals the decision of the Ministry of National Education to introduce Turkish language lessons in Bulgarian schools on an experimental basis, the blockade will expand to a city-wide action and sit-in's might be organized in some industrial enterprises in the town.

In an interview with representatives of the Bulgarian National Radical Party, our correspondent Georgi Talev learned about their intentions to change their original plan adopted yesterday and about the possibility that the action might continue for one hour on 6 March and then be pursued for one hour on each following day.

There were no incidents during today's action, if we exclude the following: Internal Affairs Minister Khristo Danov visited the town and his official car could not break through the blockade so it had to take a detour through the side streets.

Our Razgrad correspondent Ivo Kharizanov reports that several local school children who are on a hunger strike protesting against the planned introduction of Turkish language lessons have high fevers and need medical attention. The state of health of Anka Marinova, mother of five children, who has been on hunger strike for the last five days has also deteriorated.

The local school in Khlebarovo has closed for pupils from the first to the 11th grade who are also on indefinite hunger strike with the same demand. They were joined by 18 parents.

Strike Continues; Appeal Ignored

AU0503202891 Sofia Domestic Service in Bulgarian 2000 GMT 5 Mar 91

[Text] Our reporter Georgi Talev reports from Kurdzhali that in the afternoon representatives of the teachers' strike committees from the city's educational establishments met to discuss the results of the earlier meeting between Internal Affairs Minister Khristo Danov and the principals of the municipality's schools. At that meeting Mr. Danov described the strike of Kurdzhali teachers as political and illegal, and called upon the teachers to do everything possible to resume teaching on 6 March. The schools in Kurdzhali have already been closed for more than one month, and a few days ago the teachers in 17 schools announced a real strike in protest against the decision of the Ministry of National Education to teach the Turkish language in the schools on an experimental basis.

At the meeting Minister Danov said that if the strike continues it will be necessary to adopt all necessary legal measures to normalize the educational process. At their afternoon meeting, the representatives of the teachers' strike committees decided to ignore the appeal of the minister of internal affairs. The strike will continue and no date for ending it has been fixed.

National Day Celebration Controversy Continues

AU0603081291 Sofia BTA in English 2134 GMT 5 Mar 91

["Two Gaffes in One Day"—BTA headline]

[Text] Sofia, March 5 (BTA)—Who is Bulgaria's minister of foreign affairs and who invited former prime minister Andrey Lukanov to the solemn ceremony held to mark March 3, the country's National Day? The Soviet TRUD paper and one of the leaders of the Socialist Party, Filip Bokov, made mistakes when answering these questions.

At yesterday's news conference the most influential political coalition in the country the Union of Democratic Forces (UDF) [SDS], protested against the Red Banner with foreign symbols that fluttered at the ceremony in question and against the presence of ex-prime minister Andrey Lukanov, now deputy chairman of the Socialist Party, among the official guests attending it.

Filip Bokov, member of the supreme leadership of the Bulgarian Socialist Party, told journalists today that Lukanov had been officially invited to the solemn ceremony by the mayor of Sofia, Aleksandur Karakachanov (the leader of the Green Party in the UDF). A little later his statement was disproved: Invitations had been sent only to the president, the prime minister and the chairman of the Grand National Assembly. It will be probably left to the Bulgarian Legislature to take a decision on the presence of the Red Banner.

The Soviet TRUD paper published an extensive interview with Bulgaria's minister of foreign affairs. According to the paper the Bulgarian foreign minister is...Lyuben Gotsev.

In actual fact Mr. Gotsev was Bulgaria's foreign minister, but in Andrey Lukanov's second cabinet that lasted from September 21 to December 20, 1990. Now the minister of foreign affairs of Bulgaria is Mr. Viktor Vulkov.

Minister Vulkov confirmed to a BTA reporter that it was him who gave the interview to the Moscow paper and that he has no idea how such a mistake could have been made.

Foreign Currency Bought at 'Black Market Rate'

AU0303154991 Sofia OTECHESTVEN VESTNIK in Bulgarian 23 Feb 91 p 3

[Interview with Sredets Commercial Bank Chairman Agissa Ilieva by Khristo Karlukovski; place and date not given: "Sredets Bank Buys Foreign Currency at Black Market Rate"]

[Text] One client sold German marks valued at 700,000 leva to the Sredets Commercial Bank. He packed the bundles of notes in a black bag and left the bank. After him, at least 20 more people were waiting in the lineup; they felt that the rate of 27 leva to the dollar suited them, and were willing to sell their foreign currency.

This is the third day on which the Sredets Bank has been buying foreign currency from citizens. This is the first time in Bulgaria that a bank has purchased foreign currency at the black market rate. Why is it doing this? I put this question to 39-year-old Agissa Ilieva, chairman of the Sredets Commercial Bank.

[Ilieva] On 19 February we decided to start purchasing foreign currency from citizens at a rate close to that offered on the black market. The effect was amazing. In no time at all the money changers from Magurata [area of Sofia notorious for black market dealing] were obediently lining up at our bank. On 19 and 20 February we bought foreign currency valued at 2,199,000 leva. Within these two days, we changed the rate to the dollar five times; the rate varied within the range of 19 to 28 leva.

[Karlukovski] In essence, this is a money market.

[Ilieva] Quite correct. Our aim is to assist the government by bringing the money held by citizens and companies back into circulation. In other words, we are making a start on a speedy banking reform.

[Karlukovski] What do you hope to gain from this activity, which is not without risk?

[Ilieva] We are a commercial bank established on shareholding principles. We provide services to large companies with capital of tens of millions of leva. We ourselves hold large amounts of money and property. By circulating the money, we add to our own leva and foreign currency resources. We want to expand our activities, and are negotiating with the municipal leaderships of two large towns to open branches of our bank there.

[Karlukovski] Are you the only bank that deals in money?

[Ilieva] No, in Sofia there are 15 banks like ours. Each of them is assessing the opportunities and the advantages it would derive from this kind of activity. The Bulgarian National Bank does not participate as a shareholder in our activity, but basically monitors the liquidity of the lev and foreign currency. I would like to mention that our bank's deposit account business is developing particularly well. What does this activity represent in essence? For example, you have 10,000 leva on deposit in the State Savings Bank, and receive some minimum interest on it over a year. If you withdraw this money and invest it with us on a one-month deposit, in 30 days you will receive 450 leva. If you reinvest the money when the 30 days have expired and do not withdraw the 450 leva, it, as well as the capital, will also attract 4.5 percent interest. Accordingly, in two months you will receive 920.25 leva. In other words, your money will work for you if you keep it in a deposit account with us. Of course, we will also work with your money. We will make it available to those who need it, in return for the appropriate interest payment. We gain, the depositor gains, and the person who receives the loan from us should also gain. Money must start to work for its living. Do you know that in an American bank, capital sums circulate seven times in a single 24- hour period, and bring in income every time. This is also our aim: to make money start to work.

[Karlukovski] You buy foreign currency. Will you sell it?

[Ilieva] Yes, as of Monday 25 February we will start selling convertible currency, in the first instance only to companies producing consumer goods. We have a system of monitoring to ensure that the foreign currency is used for its stated purpose.

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The buying rate of the central bank is a little over 24.70 leva to the dollar. According to Emil Khursev, executive director of the Bulgarian National Bank, the rate will fall to 10 leva by the middle of this year and will reach 7 leva in the long term, after the IMF loans have been received. In Mr. Khursev's view, the Bulgarian lev will be more in demand in the near future. It is said that the black market money changers at the notorious Magurata are buying "greenbacks" for no more than 25 leva. Thus, after the fall in the prices of meat and salami, the price of the dollar is also on the decline.

European Aid for Agriculture, Industry Announced

AU0403202091 Sofia BTA in English 1927 GMT 4 Mar 91

[Text] Sofia, March 4 (BTA)—Half of the 160,000,000 ECU [European currency unit] granted to Bulgaria by the European Community under the PHARE [Economic Restructuring Aid for Poland and Hungary] program will go to promote private farming and industry.

30,000,000 ECU will be spent on technologies, know-how and technical equipment for Bulgarian health care. Prenatal diagnostics scanners, electrocardiographs and other equipment worth 5,000,000 ECU will be supplied to about 70 hospitals.

Projects to restructure telecommunications and modernize government administration are already under way. Bulgaria will also participate in the tempus and age education programs.

15,000,000 ECU will be invested in a nationwide system for environment monitoring and another 10,000,000 ECU in projects to introduce energy-saving technologies.

Today the Council of Ministers approved the program for the implementation of the PHARE program which was signed in February by Bulgaria and the EC commission.

Many Engineering Companies Face Bankruptcy

AU0503122191 Sofia BTA in English 1203 GMT 5 Mar 91

[Text] Sofia, March 5 (BTA)—Many Bulgarian mechanical engineering businesses are likely to go bankrupt, the press reported earlier this month. Companies active in heavy mechanical engineering, automaking and the conversion-affected branches are in dire financial and economic straits.

That certainly did not come as a surprise: The branches in question had been tolerated by the former administration's economic policy. Now, however, the employees in these spheres insist that Mr. Dimitur Popov's government establishes a procedure for holding the directors and their deputies materially, administratively and even criminally liable, if necessary. Their arguments, listed at the latest meetings of the Council of the Metal-Electro National Trade Union Federation, are prompted also by the fact that there are directors and officials who by their actions, or rather by the failure to act, have brought the companies to their present state and keep pushing them towards disaster.

But even if the companies are somehow prevented from going bankrupt, job losses are inevitable. The trade unions of the affected branches have decided, however, not to allow a single worker's dismissal without a firm proof that the company's managers have tried all possible means to find a way out of the crisis without resorting to mass unemployment.

If we consider the priorities of Bulgaria's former economic policy, then the electronic, the chemical and the biotechnological industries are to follow the mechanical engineering in a still graver crisis.

National Bank Chief on Currency Convertibility

AU0603081591 Sofia BTA in English 2125 GMT 5 Mar 91

[Text] Sofia, March 5 (BTA)—Bulgaria acceded to Article 14 of the Articles of Agreement of the International Monetary Fund, thus declaring her national currency nonconvertible.

According to the governor of the National Bank of Bulgaria, Prof. Todor Vulchev, some days ago Sofia advised the IMF managing director, Mr. Michel Camdessus, [spelling as received] of this decision. Prof. Vulchev made this announcement at today's meeting with representatives of the business circles held here today. He stressed the resolution of the bank to go further with the liberalization of the currency regime that includes the permission for free purchase and sale of foreign exchange given to the 80 commercial banks in Bulgaria, revocation of the requirement according to which sellers had to prove the origin of the foreign exchange offered and some other measures.

In a statement for the BTA, Prof. Vulchev prognosticates that Bulgaria will accede to IMF Article 8, i.e. the Bulgarian lev will be declared convertible in a few years. There is nothing alarming in the fact that the lev is nonconvertible now, provided the currency regime liberalization is continued, Prof. Vulchev said, pointing out that 86 of the IMF member-nations acceded to IMF Article 14.

It is well-known that most of these countries belong to the so-called Third World.

Kostov Threatened; Takes Life Insurance Policy

AU0603121991 Sofia BTA in English 1204 GMT 6 Mar 91

[Text] Sofia, March 6 (BTA)—Mr. Ivan Kostov, minister of finance of Bulgaria, who is said to have "fathered the economic reform," has made a life insurance with the State Insurance Company, it is announced in today's "DEMOKRATSIYA" daily. Having in mind the difficulties arising from the economic reform, no wonder that Mr. Kostov feels himself to be a target of discontent and opposition to the changes.

According to unofficial data, Mr. Kostov, a robust 40-year-old man, is the first Bulgarian minister in 40 years who has insured his life. His decision was made as a result of the constant written and verbal threats and telephone calls warning him of imminent attempts on his life. The amount of Mr. Kostov's insurance is still unknown.

"DEMOKRATSIYA" recalls that only a year and a half ago nobody dared to threaten high-placed officials. Moreover, they were under the constant protection of bodyguards.

Spokesman Outlines Constitution, Adoption Process

LD0503143891 Prague Domestic Service in Slovak 1100 GMT 5 Mar 91

[Text] Talks took place yesterday at the Vikarka restaurant in Prague. Representatives of political forces and governments were there long into the night discussing the constitutions. Tenacious journalists were then addressed by Presidential Spokesman Michael Zantovksy, who made the following statement:

[Begin Zantovsky recording in Czech] Representatives of both streams of Civic Forum [OF], Public Against Violence [VPN], and the Christian Democratic Movement [KDH] met at the invitation of the CSFR president on 4 March 1991 in Prague. Representatives of both streams of OF and VPN agreed that they will propose to their movements, and through them to the representative bodies of the republics, and the federation the following principles of the new federal constitution and this process in adopting it as a starting point for discussion:

1. Czechoslovakia will be a federative state consisting of two sovereign and equal republics linked only voluntarily and by the free will of their citizens.

2. An expression of this will of the citizens of both republics would be a joint declaration on coexistence, which will be adopted and promulgated simultaneously by both National Councils. Among other things, this declaration will state that the fundamental document of the joint federative state will be the Federal constitution, which will be adopted by the Federal Assembly. The federal constitution will refer to this declaration in its basic provisions.

3. The basic document defining the federative state, including its main bodies and their powers, will be the new federal constitution. All powers not given to the federation in this constitution will belong to the republics or directly to the citizens. Anchored within the constitution will be the right of the republics to decide on remaining in the federation in a constitutional manner.

4. Both National Councils will simultaneously adopt the declaration of coexistence on the eve of adoption of the three new constitutions.

5. The National Councils will then ceremonially adopt the constitutions of the republics and the Federal Assembly will ceremonially adopt the federal constitution. The adoption of all three constitutions will take place simultaneously.

6. It is necessary to work out a timetable for coordinated creation and discussion of all three constitutions and the declaration of coexistence in such a way that this process can culminate this fall with the act of ceremonial adoption.

7. The participants in the meeting received a working draft of the federal constitution from the CSFR president, from the chairman of the Slovak National Council they received a working draft of the constitution of the Slovak Republic, and from the KDH chairman they received the draft of a state agreement between the Czech Republic and the Slovak Republic, and they promised that they would study these drafts and would make them available to the relevant representative bodies and the public.

8. Representatives of KDH agree with the principle expressed in point one. On the remaining points, KDH remains in favor of its proposal to enter into a state agreement between both republics, with the proviso that this agreement would be a legal document and not merely a political declaration.

9. The participants in the meeting noted that the question of Moravia and Silesia is being dealt with as a problem of the territorial administrative setup of the Czech Republic by the Czech National Council.

10. The next meeting, which will consider relations of legislative, executive, and judicial power and the principles of democratic society in the new constitution, will take place on Tuesday, 26 March 1991. [end recording]

Havel Grants Weekly Radio Interview

LD0303224991 Prague Domestic Service in Czech 1315 GMT 3 Mar 91

[Interview with President Vaclav Havel by Jiri Vejvoda at Lany Castle; date not given—live or recorded; "Conversations at Lany"]

[Excerpts] [Vejvoda] Mr. President, the last day of February brought an end to the Persian Gulf war. I am interested in your feelings as the president of the country which—I think, after a very long time—shared in winning a war. Thanks to our unit, we are on the side of those who won the conflict.

[Havel] I am, of course, immensely happy that the war ended; all of us waited with great impatience for this to happen. It is a marvelous thing. The international coalition really achieved what it wanted to achieve: it suppressed the aggressor and liberated Kuwait. I consider this to be immensely important news of this week.

The Middle East is, of course, going to face an uneasy task of arranging its future peace order. Various concepts and ideas about some kind of a regulated security system have already emerged, a system that would prevent things like the aggression against Kuwait. This will probably be a complicated and demanding process, but, paradoxically, it seems that the war, however horrible it was, accelerated the developments and forced all to be more active and move quicker toward achieving some kind of a more stable peace order and solution to all the burning and painful problems in this region.

In this context, I would like to point out that our unit was not at all a symbolical one, as it is sometimes described. First, even if the unit consists of only one man, he is really involved in fighting, his presence is real and not symbolic. Second, I would like to point out one more thing that is not perhaps well known to many people in our country; namely, the attention and respect that our unit enjoyed and continues to enjoy. [passage omitted]

I think that, besides the principal political factor—that we finally took the right side after all and that we contributed a bit toward the victory of good over evil—this can also have long-ranging specific consequences for the CSFR, as the era of rebuilding what was destroyed in Saudi Arabia, Kuwait, or Israel has begun, and this can be very advantageous for us. We can supply various industrial complexes, and these countries are, on the other side, capable of supplying us with a raw material that is very important to us: oil.

Decisions will be made on these things, and, of course, during this decisionmaking process, it will be considered what course of action was taken by whom in this moment of truth. It will depend only on us now as to how we will manage to make use of this favorable situation.

[Vejvoda] Mr. President, this week information was published in our country and in the United States about the telephone conversation you had with U.S. President George Bush. We were also briefly informed about the content of this telephone conversation, but I would not like to miss this opportunity to ask you for some more details on this.

[Havel] We had quite a long conversation; it lasted about 20 or 30 minutes, during which President Bush informed me about the immediate situation in the Middle East, basically about the capitulation of Saddam Husayn. I assured him of the support that this policy of the international community had from our nation. Concerning the concrete subjects we spoke about, perhaps I will mention that President Bush informed me about the fact that their attention will now once again turn to us, to Central and Eastern Europe. He also mentioned support, further aid, which he indicated to the U.S. Congress.

Perhaps I should also mention that President Bush was well-prepared for the conversation, because he knew about the death of one of our soldiers. He expressed his condolences over this death, and I would like to pass this on, here, to his relatives, if they are listening to me. [passage omitted]

[Vejvoda] The Warsaw Pact Political Consultative Committee decided on its dissolution last week, and I think that the overwhelming majority of our public felt relieved. Do you share this feeling?

[Havel] Yes, this is really a significant and important moment. Perhaps I should, on this occasion, point out that the CSFR has been very active in this matter from the beginning. In fact, we prepared the first declaration of the Warsaw Pact Political Consultative Committee that met in Moscow, and what was then decided, outlined, and envisaged begins to be implemented now. I think this confirms that the policy on which we have embarked from the beginning has been the correct one: the policy that unilaterally leaving the Warsaw Pact is not a very good solution. It would, in fact, make it impossible for us to influence the future of the Warsaw Pact and probably would cause tension between us and the Soviet Union or other Warsaw Pact members.

We considered it much more purposeful and better to stay within and work peacefully toward a gradual self-dissolution of the Warsaw Pact, which has really lost any kind of legitimacy. It was formed, in fact, as an instrument of the Stalinist, hegemonic, and imperial policy. It only represented some kind of a relic of the cold war, and it was not only in our interest but in the interest of other member-states to take this step.

The dissolution of its military structures has far-ranging consequences. For instance, in the case of a war, the part of our Army participating in fighting, i.e. about two-thirds of our Army, would be under the joint command, under the command of the Soviet generals. This means that, from the defense point of view, in no way were we a subject with full rights.

The community should probably end its existence by the end of the year or, at the latest, by spring next year. Disarmament talks were based on the principle of the blocs, and, thus, the dissolution of the Warsaw Pact as if withdrew Atlantic Alliance's partner, and this is probably the reason why, for a certain period, the Warsaw Pact has to be preserved in its political form. [sentence as heard] However, the decisive step has just been taken with the signing of the Budapest protocol. [passage omitted]

[Vejvoda] Some say we now find ourselves in some kind of vacuum, and some weeks ago, in these conversations, you mentioned that it was not so easy to simply join NATO, that it would be linked to its specific problems. Listeners subsequently asked whether, despite these problems this is, in fact, our aim, our intention, or not.

[Havel] In my view, it is impossible to take such an unambigiuous stand on this issue. What is clear is that the CSFR, in this dramatic period that can bring us further surprises and further danger, has to strive to establish her securtity ties—some kind of security—after the collapse of the Warsaw Pact. We are striving to do so. The first step is a system of bilateral agreements that are being prepared witih Poland and Hungary, as well as with the USSR, the FRG, and probably also with France, and perhaps also with other countries. Besides these bilateral agreements, we have to look for some form of closer cooperation with the NATO. As you know, I will go there in March to deliver a speech at NATO Headquarters in Brussels, and I intend to speak about these subjects.

For long decades in our country, NATO was described as the source of everything evil, as the embodiment of evil,

imperialism, etc. In fact, it has been a thorough, fully democratic security association of long-standing that has worked very well. It was founded in 1949—partly as a reaction by the Western democracies to the February events in our country, by the way—when 14 European countries, Canada, and the U.S. all of a sudden realized the danger of Soviet expansionism. This institution we cannot fail to consider, for it is important to us, and we wish to establish various forms of cooperation with the Atlantic Alliance. There are several possibilities. Cooperation in some spheres has already begun. However, to speak about joining it, about our membership in it, is indeed premature.

First, NATO must want us to join. So far, its member-states have been very reserved and a bit puzzled on the admission of new members, especially of the Central and Eastern European states. It has various reasons, and I fully understand their reserve.

Second, and this is the main thing, to become a NATO member in fact means to achieve some sort of compatibility of the command, information, and subsequently also weapon systems, and this is a truly complicated and demanding—especially financial—matter. By chance I discussed this when I visited with my advisers, the General Staff. The change of weaponry, including air defense, etc. The complete change of weaponry to turn our Army into an army that will be a normal, regular part of the Atlantic Alliance would require billions. The Atlantic Alliance is undergoing a process of its own transformation as it was, in fact, built, as far as the military doctrine is concerned, with the principal orientation on a threat from the USSR. The European situation has undergone radical changes, and, therefore, it is premature to discuss this.

What is clear is that, if a wider, new, all-European security alliance is formed, then NATO is probably going to be its basis, starting point, nucleus, pillar, because, as I said, it is the only association of this kind in Europe that is really in working order. I repeat this once more: it is a very democratic association, an association that has defense character. This fact has to be stressed above all because of all those years of propaganda carried out in our country. [passage omitted]

[Vejvoda] Since you mentioned the constitution several times, Mr. President, this week, the Federal Assembly, among other things, adopted your presidential draft for setting up a Constitutional Court based in Brno. Are you satisfied with the way the Assembly reworked and adopted your proposal?

[Havel] Naturally I am happy this proposal was adopted. I consider the Constitutional Court to be very important. It is, in fact, a vital attribute of a democratically functioning state. Unfortunately, it appears to me that, during the complicated amendment proceedings, one thing has made its way in that should not be there. The paragraph states that the old Constitution cannot be used for evaluation of the new Constitution. This seems legitimate and logical to me. In another part of the bill, however, a sentence has got in, or rather not got in, but, naturally, it was legitimately discussed and adopted by the legislature, and this sentence, in my opinion, slightly turns the law upside down. The sentence is: The findings of the Constitutional Court, if they concern the constitutional laws of the National Councils, do not have the power to suspend the validity of such laws.

At first sight, this appears insignificant, but, in my view, behind it is the serious danger that a National Council could, in fact, declare the sovereignty of its own laws over the federal laws, which would be the beginning of an acutal breakup of our joint state. This is an extremely dangerous thing. On the other hand, I would not make a tragedy out of it. The law itself will be valid for a few short months. Meanwhile, the court itself must be set up; the judges must be found, they must be elected; the order of proceedings must be adopted; and then, already, the new constitutions will exist. The relevant passage on constitutional courts can, of course, be written in a different way in the Federal Constitution. I already have a very concrete idea about this, to ensure that the Constitutional Court truly plays the role that it should and must play in a democratic state.

Many apparently hopeless arguments over powers that took place in the FRG when it was still only West Germany were solved by the German Constitutional Court, and it has won such authority that everyone respected its decisions. This is just an example of how important such an institution is.

[Vejvoda] I would not like to forget another important event of the week just ending, that is, that the Federal Assembly finally adopted, though not without difficulties, the so-called transformation bill or the bill on large privatization?

[Havel] As far as I can tell, I think this law is very good, and I consider it extremely important that it was adopted. It is, perhaps, one of the most important bills adopted by the Federal Assembly, because this bill creates the legislative starting point and prerequisite for a true transition of these factories and firms to a different form of ownership. The important thing now is that this should take place and, if possible, quickly. To this day, everything still belongs to the state. We cannot make do without the foreign capital. There was a huge wave of interest in investment in the CSFR. Our gentle revolution, as they call it, attracted the attention of all and sundry. The wave is falling, the interest is falling, because the companies are embarassed about how slowly things move here, how we are constantly arguing here. They still cannot get hold of the conditions for business here; they do not know the situation concerning taxes; they do not know who their partner is, who is the true owner; they cannot find their way through the legislature. It is unclear and confusing.

If only for this reason, and for many others, the privatization process must quickly get moving. The fact that

this transformation bill was adopted is, in fact, a fundamental step. The system of investment coupons on which they all agreed in the end also appears good to me. It is truly some kind of attempt to contribute very quickly and in a noninflationary manner to a change in ownership. I say noninflationary because the coupon is a special kind of single purpose money, and, in fact, this protects our currency, as I see it. [passage omitted]

[Vejvoda] I am wondering, Mr. President, what theme I should chose to conclude this interview. I think we should return to the fact that many teachers of this country are vigorously protesting, that they are protesting, in fact, against their minister, and this, I think, is already a reason that the president, as well, should somehow express his views on this matter. At the end of these conversations, I ask you to make one more comment on this issue.

[Havel] To tell the truth, given my rebellious nature, I have always been rather on the side of those protesting than on the side of those against which protests are held. In this case, however, I must confess to you that I am not on their side. This is no revolutionary awakening of the public, but if I were to use Marxist terminology, I would rather call it a counterrevolution. In this matter, I am unequivocally on the side of Minister Vopenka.

Let me tell you what happened. Minister Vopenka said that school used to have a tendency to deform children, to deform their education, that it harmed the whole generations, and that it should at least apologize to the society in some way. To be more precise, he apologized on behalf of the education system, and he was right. By this I do not mean individual teachers who may have been trying, within their limits, to do everything possible. I am sure that such teachers existed, as anywhere else. Nevertheless, the educational system as a whole was based on a deviant ideological basis; it did not encourage independent thinking in people, independent longing for education; it did not develop their human values. The communist regime knew why it was paying so much attention to education, since here you can form new generations according to your own values.

Teachers are protesting because, in these words, they feel a certain attack on their social securities. They are demonstrating as if they were stressing that the minister does injustice to the small, honest work of a great number of teachers. He did not call for any persecutions, any witchhunt, any punishments for the fact that somebody somewhere used to teach Marxist philosophy or something similar. Not at all. He simply wanted to give a name to the situation. He again and again stresses the need for teachers to be able to teach independently. They keep calling for textbooks, curriculums, orders. They demand those limits all the time, those regulations they were used to. The educational system must be based, first of all, on teachers' personalities, on personalities capable of contributing to furthering their pupils' personalities.

Finance Minister on Helping Insolvent Enterprises

AU0503110591 Prague HOSPODARSKE NOVINY in Czech 1 Mar 91 pp 1,2

[Federal Finance Minister V. Klaus report: "Operation Permanently Maintained Stock Set Off; One-Way Solutions Have No Chance of Success"]

[Text] A number of problems have piled up lately in the Czechoslovak enterprise sphere. It is a rather simplistic approach, but the state is usually blamed for it; that is, on the one hand, its restrictive currency and financial policy, and on the other hand, its lack of industrial and pro-export policy. Of course, this is not the case, and advocates of these views actually do not demand anything but the good old proceeding of our old economic system with its protective attitude toward the enterprise sphere.

When I say this, it does not mean that the state should not or cannot attempt to deal with any of these problems. The issue of the so-called TOZ, i.e., permanently maintained stock [trvale se obracejici zasoby], or rather the credits provided for TOZ in the past, belongs to these problems. Although it is not easy, this economic anomaly must be dealt with in some way.

What Is the Crux of Operation TOZ?

Operation TOZ is an attempt to remove from the accounts of the commercial banks and enterprises the credits that were offered to enterprises in the past for the so-called permanently maintained stock. The original reason for the establishment of these credits was the draining of the enterprise working capital in connection with the economic reform in 1967 and 1968. These credits grew further during 1970-1989 because of the form of financing and because of the dearth of resources in the state budget. Supplementary levies were used to formally balance budgetary revenues and expenditures, thus reducing the capital asset basis of the enterprises. This financial loss led to an additional accumulation of these credits.

Their total amount as of 30 November 1990 was 169 billion korunas [Kcs] (Kcs121 billion in the Czech Republic and Kcs48 billion in the Slovak Republic). According to the type of the organization, the TOZ credits were distributed as follows:

—state organizations: Kcs144 billion,

—cooperative organizations: Kcs25 billion.

The transformation of the TOZ credits to ordinary commercial credits realized according to CSFR Government Order 781/1990 in combination with the implementation of the restrictive credit policy led to a substantial increase in interest rates and to a reduction of the life span of these credits. This, in turn, influenced negatively the solvency of a number of enterprises and

reinforced the pressures on the increase of prices. Hence, it was demonstrated that this solution is not a viable one and it was discarded.

The Federal Ministry of Finance decided that it would cooperate with other banks as it separates the TOZ credits from other credits and segregates them from the commercial bank system.

Main Goals of the Suggested Operation

In the Enterprise Sphere

—the administration of these quasi-credits will be separated from ordinary bank or business credits,

—a firm procedure will be devised, independent of the decisions made by individual bank branches, for dealing with this issue,

—the payment burden will be distributed over a longer period of time, and the interest burden will be reduced with the aid of below-market credit rates.

—thus, the independence of enterprises will be increased in their decisions regarding their financial and economic activities,

—more advantageous conditions will be created for privatization of the enterprises.

In the Banking Sphere

—the accounts of the commercial banks will be freed of these quasi-credits,

—another step will be taken toward the creation of conditions for the real business activities of the commercial banks,

—the extrication of these credits (but also of the resources) from the two main banks will lead to a marked demonopolization of the Czechoslovak banking structure.

Basic Procedures in Operation TOZ

The selected approach is based on the fact that the entire operation

—will take place separately from the public-budget economy,

—will not lead to an inflationary growth of money supply in the economy,

—will be realized in as brief period as possible.

It is precisely this aspect that is strongly emphasized. Even a special banking institution, Consolidation Bank, has been established for this purpose. The task of this bank is to assume the credits originally provided for TOZ from the commercial banks, and to ensure an entirely new system of payments of the principal and interest. In addition, a transfer is being considered, that would take place some time in the future, of the outstanding state enterprise debts with this bank to the national assets fund. The transformation of the enterprise obligations to actual capital will be dealt with according to the actual conditions of the privatization of that particular enterprise, but no miracles can be expected.

The TOZ credits are dealt with in both state and cooperative organizations, and one expects basically a uniform approach to all productive state enterprises (80 percent of the TOZ credits as of 30 November 1990).

The share of the TOZ credits of the trade, marketing, and supply organizations transferred to the Consolidation Bank will be lower than that of the productive organization (50 percent of the TOZ credits as of 30 November 1990). A greater portion of the stock of these organizations will be covered by ordinary commercial credits.

"Operation TOZ" includes also 50 percent TOZ credits (as of 30 November 1990) of the cooperative organizations.

The share of the TOZ credits of the cooperative organizations transferred to the Consolidation Bank is lower than that of the state organizations, because their working capital was not drained in the past (unlike the capital of the state organizations), and individual levies to the state budget were not imposed on them, thus their freedom to create their own financial basis has not been impeded.

Sources of Coverage

On the whole, this operation will involve about Kcs122 billion, i.e., approximately 30 percent of all operational credits.

The transfer of the credits to the Consolidation Bank must include the appropriate resources that, until now, have been at the disposal of commercial banks. We assume that redistributional credits from the central bank will be the resources of the newly established bank as well as resources of other financial institutions, particularly of saving banks, which, until now, were utilized by the commercial banks. It is important that the TOZ credits do not have to be covered solely by long-term type of resources. These credits will be gradually paid off, and thereby the financial institutions' resources will be released, and the institutions will be able to use them in other spheres of their business.

Payment and Interest-Rate Conditions

Enterprises will have to make payments on the principal as well as having to pay interest on their debts to the Consolidation Bank. A uniform system of payments will be devised with the life of the loan set at eight years, which is a substantial relief for the enterprises, as compared to the solution selected in the earlier-mentioned government resolution. From the point of view of

interest burden, it is realistic to set the interest rate for the enterprises at 13 percent. That, too, is a substantial relief, although we do not doubt that the enterprises would like to have an even more discounted interest rate. That, however, is neither possible nor appropriate, because, among other things, the Consolidation Bank will pay interest from the resources obtained from the financial institutions, the minimum rate of which must correspond to the prime rate, i.e., 10 percent. Although the bank will not be a profit organization, it must receive from its debtors interest payments sufficient to cover its obligations to its creditors. Otherwise, this interest would have to be paid from state budgets, which, given the current situation, is absolutely not plausible. Considering the current rate of inflation, the selected interest rate is exceptionally low. Even so, the state budget will take a significant part in the entire action (as a result of lower taxes paid on the financial institutions' profits), and so will the state financial institutions (lower interest rate) and the enterprises (payments of the principal and interest). It is precisely this multilateral participation that provides a way out of today's situation. Proposals of one-way solutions have no chance of success.

Dubcek Views Czech Republic's Constitution

AU0503150691 Prague CTK in English 1954 GMT 3 Mar 91

[Text] Bratislava March 3 (CTK)—Chairman of the Czechoslovak Parliament Alexander Dubcek says the future setup in the Czech Republic must be decided by the Czechs, Moravians and Silesians but also by the Czech National Council and the Czech Government.

In an interview with CTK he thu[illegible]cted to the weekend demonstrations in some Morav[illegible] and Silesian towns. He said that the future setup is the sovereign right of the Czech Republic.

Asked about the sovereignty of Slovakia which is again discussed in the Slovak Republic Dubcek said that this sovereignty was expressed by the people already twenty-two years ago and embodied in the Czechoslovak Constitution. "I understand it as the right of the nation to self determination", he added. The constitutional law approved 22 years ago provided for the creation of constitutions for each of the two republics but the Soviet-led invasion prevented the elaboration of these constitutions, he said.

He further said that the Federal Assembly decided vetting in its resolution. "It has been decided. But what I fear in this connection is mistakes that might be made in the search for cooperation with the state secret police .... What I want to say is that we must not do new wrongs in investigating cooperation with the State Secret Police", he said and added that in his view publication of lists with secret police agents is not in tune with legal norms.

Speaking about current developments in Czechoslovakia Dubcek said: "today we do not want to return to the capitalism of the first bourgeois republic ....We must join advanced Europe there where it is now".

He further said that democratization processes must advance in harmony with decentralization of the political and economic power and result in a stronger self-administration of towns and villages. Czechoslovakia must learn from its advanced neighbors otherwise its democracy will fall flat, he added.

Pithart on Moravian Issue, Tripartite Federation

AU0503163591 Prague SVOBODNE SLOVO in Czech 1 Mar 91 pp 1,4

[Interview with Czech Prime Minister Petr Pithart by Miroslav Valka in Brno on 28 February: "I Am Opposed to Blackmail"; first paragraph is SVOBODNE SLOVO introduction]

[Excerpts] Following yesterday's meeting in Brno involving 14 Czech Government ministers and representatives from the city's cultural, political, scientific, educational, and medical life, I asked P. Pithart the following question: Mr. Prime Minister, do you not have the feeling that upon coming to Brno, you have entered an unfriendly city?

[Pithart] No. We have recently traveled to every city knowing beforehand that we will be unable to satisfactorily answer all questions and accede to all wishes.

[Valka] Do you think that Brno is doing you an injustice....

[Pithart] I am convinced that I have done more for the cause of Brno and Moravia than the Movement for Self-Governing Democracy-Society for Moravia and Silesia deputies who, unfortunately, are unable to gain appropriate authority in the Czech National Council. [passage omitted]

[Valka] How do you view future development in Moravia and Silesia's state forming arrangement? In a tripartite federation?

[Pithart] I really do not know. If I did know I would not be able to say; I do not want to be suspected of attempting to use my influence.

[Valka] Of course, you can indicate what point of view you yourself support in this issue....

[Pithart] I was one of the first who dared to mention a tripartite federation. Of course, last October I called it an intellectual exercise. In a joint federation it is impossible to vote; we can only negotiate. This can always get into the realm of blackmail and, when we do not agree on something, it can be formulated that this is the end.

[Valka] Rumors are coming from some Moravian circles that Slovak representatives have a positive view of Moravia as one of three union [spolkovy] countries. Have you also received such signals?

[Pithart] I am not sure whether such a path is not just a roundabout way toward a confederation. We have adopted an absolutely negative point of view toward this. This would be unacceptable to us. As long as it is not completely clear how Slovakia views this issue, it will be impossible to give an unequivocal reply.

[Valka] Let us assume that the Slovak Government and the Slovak National Council were not seeking this roundabout way in a solution. Could the tripartite federation arrangement be achieved and drafted into the constitutions?

[Pithart] Technically, it certainly could be, although we do not have too much time. We consider a tripartite federation to be viable. However, we will have to proceed very carefully with this idea.

Pithart on Society's Mood, OF 'Mistakes'

AU0503202391

[Editorial Report] Prague MLADA FRONTA DNES in Czech on 23 February on page 2 carries a 4,000-word interview with Czech Republic Prime Minister Petr Pithart by MLADA FRONTA DNES correspondents Karel Hvizdala and Jiri Leschtina entitled "Czech Politics and the Present." In the interview, the place and date of which are not given, Pithart discusses reasons for the public's "disenchantment" with developments in the country after the 1989 revolution and "mistakes" made in Czech politics and the Civic Forum [OF] in particular.

Pithart is first asked to comment on the growing feeling of "nervousness, indignation, and bitterness" among the people. He attributes these feelings to the "simplified notions" that most people had about the postrevolutionary development, as a result of the smooth course of the revolution, and to the former regime's destructive influence on people's attitude and mentality. Pithart says: "We are crippled. We are lacking in basic civic virtues, civic self-confidence, and civic courage." This, he says, is the most pernicious "heritage" of the last 40 years: "We all were state employees, in fact. We lived in apartments from which we could be moved and had jobs from which we could be fired. We simply were entirely dependent." This is why Pithart regards people's economic independence of the state as "perhaps the chief meaning of all the changes taking place in our country." Likewise, the development of private enterprise is seen by him as a guarantee of the return to "normalcy and decency." Once people are economically independent of the state, they can shed their "fear, caution, and pliability," he says.

Pithart admits that the "price of freedom is enormous" and that "the burden of responsibility is sometimes unbearable." In this context he warns against "straightforward and clear solutions" being offered to the public by the extreme right and the extreme left because "the price for them would be terrible." He says that people must "resist the temptation of easy solutions, because easy solutions do not exist." He sees a hope in that the Czechoslovaks are "so sober and so skeptical" as a result of their past ordeal that they will not yield to the extremists' "lure."

Pithart sees people's current frustration also as a price that must be paid for the Czechoslovak revolution. He says: "We are experiencing a period of disenchantment. But let us realize that we are paying a price for our revolution, which resembled a holiday, a festival, or a carnival more than anything else. The more intoxicated one is, the greater one's disenchantment is bound to be."

The OF too, Pithart continues, is now paying the price for the "euphoria of its beginnings." Instead of disbanding after the successful legislative elections, the OF was intoxicated with its success and "the present hangover is therefore all the greater." Pithart believes that the OF should have split right after the elections and thereby facilitated the birth of viable political parties. Because the process of the OF's division is taking place only now, at a "time of disenchantment," it is "far more difficult and more painful, with the two sides tossing accusations back and forth about who is to blame for what, and that is not good."

The next question concerns the possibility of early elections. Pithart expects the call for early elections to become more and more frequent. The only way to prevent early elections, he says, is for OF deputies in the legislative bodies to become disciplined, to stop their sometimes "exhibitionist" behavior, and seek consensus. The present would be "the worst moment" for holding elections, according to Pithart, because "we have now destroyed everything but have built practically nothing new."

Asked what other "mistakes of principle" have been made in Czech politics since the November 1989 revolution, besides the aforementioned failure of the OF to split in time, the Czech prime minister then said: "The Czech political representation did not sufficiently consider the differences between political priorities in the Czech lands and Slovakia. I have been deeply impressed by the study of the Group for Independent Social Analysis that Mr. Boguszak published in LIDOVE NOVINY. Only after I read it did many things become clear to me. We always assumed that, basically, the priority for Czechs was economic reform and the priority for Slovaks their national identity. It can be put that way, but it is only a superficial and misleading view. For a number of reasons, which Boguszak partly indicated, the need for economic reform in Slovakia is not so big. The rise in their standard of living has been much steeper than in the Czech lands. Slovakia does not feel the overall decline of the last 40 years as severely as we Czechs do. They do not feel the need to change things that radically and, by the same token, are less willing to make sacrifices. Slovak nationalism has positioned itself in this empty space on top of the scale of values. We have been interpreting this as something that is simply irrational, viewing Slovakia as a country going through something that is long behind us: a nation's growing pains. That was

wrong. What is involved in Slovakia are, basically, different priorities. We have been identifying the Slovak political scene (and now we are doing the same with the Moravian political scene) with something irrational, with a complication upsetting our straightforward ideas about transforming the economy. In other words, the mistake of principle was, and is, lack of imagination and insensitivity on the Czech side and, more specifically, on the part of the OF and, particularly, the OF's right wing."

"Another mistake" made by the OF, Pithart continues, concerned its failure to adopt a "clear structure." Although the August 1990 OF assembly adopted a resolution on registering members, this resolution has never been implemented. And because the OF had no registered members, it was impossible to say whether delegates to the OF assemblies were legitimate in the sense of representing the movement's supporters: "When I do not know who is a member, I cannot know who is a delegate either. The failure to register members was a carelessness connected with the surprisingly high electoral victory. Had the elections ended worse, it would have perhaps been better for the OF."

The concluding part of the interview concerns Pithart's assessment of Vaclav Klaus. Asked whether the OF's present crisis could have been avoided "had Vaclav Klaus not appeared on the scene," Pithart replies that Klaus "cannot be reproached for having appeared" because, by sparing no efforts in his campaign to enlist support for his program in the districts, he acted like a professional politician. The OF's crisis was unavoidable, according to Pithart, and "what happened had to happen."

The Czech prime minister goes on to say: "Klaus seized the initiative at a time when there was too much frustration in the air, and the people who started to join him were, in my opinion, people who felt an urgent need for simple answers and straightforward solutions. That is why he had, and still has, their support. Had we behaved differently immediately after the elections, such a polarization probably would not have occurred within the OF."

Pithart also opposes the "demonization" of Vaclav Klaus. He says that the tendency to "demonize" Klaus "comes from the fear of certain people who have joined him and who, as we have witnessed, would like to drive things much farther than Klaus himself." Pithart cites the example of the restitution law debate in the legisalture where Klaus reportedly complained to Pithart that the greatest support for his, Klaus', concept of the restitution had come from Frantisek Samalik, a former reform communist, while "a part of the right wing was putting a spoke in his wheel" by adopting a "fundamentalist view" of restitution. Pithart accuses these unnamed followers of Vaclav Klaus of "striving for a right-wing party of the Leninist type." This is reportedly demonstrated by their "search for enemies everywhere around them. They are even beginning to search for traitors and for 'corruptionists'."

In concluding, Pithart expresses his belief that conflicts and dramatic situations are good in politics because they help discover and "steel" new personalities.

Communist Deputy: Party in Conservative Hands

AU0503135391 Prague RUDE PRAVO in Czech 28 Feb 91 p 2

[Interview with Michal Kraus, deputy to the Czech National Council for the Communist Party of Bohemia and Moravia and member of the Czech National Council Presidium, by Petr Vana; place and date not given: "On the Way to the Democratic Left or to a Closed Sect?"]

[Excerpts] [Vana] The Communist Party of Slovakia has transformed itself into the Party of the Democratic Left. You are familiar with Vasil Mohorita's recent critical comments [in the referent RUDE PRAVO interview] on developments within the Communist Party of Bohemia and Moravia [KSCM]. What is your opinion?

[Kraus] I believe that V. Mohorita expressed what is felt similarly by many party members, especially those with a "young mind." [passage omitted]

As for the name issue, the Slovak Central Committee implemented the mandate that it received from the congress. It made the right decision. The situation that has come about in the Czech lands is paradoxical. The KSCM Congress adopted a very modern and progressive program and organizational rules but it did not address the issue of the party's name on the understanding that this issue would be decided by a party-wide referendum. And what is happening now? Not only is a referendum not taking place but the closed February meeting of the KSCM Central Committee even disagreed with the start of preparations for it. This accounts for a peculiar phenomenon: The name issue, which should be only an attendant problem and an act that naturally winds up the process of transformations, has suddenly become a problem of principle because it is a symbol characterizing the state of changes within the KSCM. [passage omitted]

[Vana] However, the argument of those who do not want the name to be changed sounds plausible that, compared with the significance of the new program, this change is immaterial. Would a change in the party's name not constitute a mere opportunistic "painting over the company's nameplate"?

[Kraus] No, we are not talking about any "painting over the company's nameplate!" We are talking solely and exclusively about a new, democratic left. The fact is that the present name is not credible. I do not even have to remind you of all the evil being associated with it and of all the things for which it used to be misused in the past. [passage omitted]

The party's name is a concentrated expression of its program, which is precisely why it has now become a question of principle. After all, of all the historical 21 conditions that make a party "communist" only one has survived—the name.

[Vana] Do you thus share V. Mohorita's conviction that this clinging to the old name is proof of the present KSCM leadership's deviation from the line of changes proclaimed at the congress?

[Kraus] Yes, and that is not all. The party's modernization process has now gradually come to a halt. Having been a witness to the February meeting of the KSCM Central Committee, I would conclude that its development is even turning back. Incidentally, this is borne out by the fact that RUDE PRAVO journalists were not admitted to the above Central Committee session. A Central Committee session has once again become an essentially closed affair. The overall atmosphere of the deliberations, too, makes me convinced that the development is turning back. Those who voiced opinions in favor of continuing the process of changes based on the program of the party congress were received with loud displeasure. The lack of tolerance for those who conduct polemics with the "official line," that is, with the views of the KSCM leadership, is generally on the rise. [passage omitted] This situation could completely jeopardize the slowly started process of rapprochement on the left. This has been pointed out by Professor Svitak, Egon Bondy, and many others. All this makes me fear that many of the apparatchiks and KSCM Central Committee members have already opted for the path leading to a closed sect. [passage omitted]

Kucerak Expresses Shock at Knazko's Statement

AU0503150491 Prague CTK in English 2205 GMT 3 Mar 91

[Text] Bratislava March 3 (CTK)—"I was shocked especially by Milan Knazko's statement that certain ministers of the Slovak Government are being manipulated, as he put it, by a Central Committee or a Coordination Center", Slovak Deputy Prime Minister Jozef Kucerak said here tonight.

Kucerak said this in an interview with CTK, reacting to today's TV address by Slovak Minister for International Relations Milan Knazko.

"The truth is different. We have been holding sessions at the VPN [Public Against Violence] Coordination Center, discussing important things. Ministers, deputies, VPN movement representatives it is about 30 to 40 people we discuss and consult things. These sessions have not been attended usually only by two people, already for some time. It is our Slovak prime minister and Mister Knazko. They seem to be following quite a different path and in this connection I think that certain ministers in the government are manipulated by the premier of our government", he added.

He further said that in public, Meciar is against vetting but that he makes it clear to some ministers in the government that he knows facts or records proving their cooperation with the State Secret Police. "I consider this a certain way of blackmailing and one can pose the question from where he knows information which is strictly confidential and should not be misused", he said and added that he was to be another victim.

Slovak National Council Chairman Frantisek Miklosko told CTK on the same occasion that "according to Milan Knazko, the VPN Coordination Center played a certain role in the October resignation of the Slovak prime minister ... The fact is that the Slovak prime minister put forward the resignation himself. Slovakia was without the prime minister for 48 hours but it was not the fault of the VPN coordination center".

Miklosko was referring to October 31, 1990, when, as he said, Meciar handed him a letter containing his resignation. The Slovak National Council did not accept the resignation.

Meciar Interviewed on Slovak Government Session

LD0503152291 Bratislava Domestic Service in Slovak 1100 GMT 5 Mar 91

[Interview with Slovak Prime Minister Vladimir Meciar by Magda Pospisilova and Michal Tvarozek in Bratislava on 5 March—live or recorded]

[Text] The Government of the Slovak Republic is in session in Bratislava at this very moment. After the events of Sunday and yesterday, the session today without a doubt is more interesting than usual. Editors Magda Pospisilova and Michal Tvarozek have been following it.

[Tvarozek] We are very pleased that at this very moment Prime Minister Vladimir Meciar has joined us. Thus, Mr. Prime Minister, one question for you first: What have you been debating just now?

[Meciar] Some 30 seconds ago, the Government of the Slovak Republic approved the fact that the Volkswagen firm will be a partner of the Bratislava Motor Vehicle Works [BAZ] and agreed that a mutual agreement should be concluded in March. A follow-up report on the fulfillment of pledges should come out in the course of April and, if everything goes as well as it is envisaged in declarations and draft materials, the first car assembled in Bratislava should leave the BAZ production line in December this year.

[Pospisilova] Thus it can be said that one problem has been removed.

[Meciar] Now the issue is different. It is necessary to specify time schedules, financial provisions, labor organization, to resolve international law issues, financing and so on, and then it will be necessary to work directly in the production halls.

[Tvarozek] Let us now move to issues that no doubt are of intrest to listeners, that is the situation in the Public Against Violence [VPN] that came to a head on Monday, or one could say on Sunday, when today the whole government met for the first time since then. Was the vote of confidence in you, in your person, you as the prime minister, as you have previously mentioned, on the agenda?

[Meciar] The government debated those issues because there have been critical comments addressed to the government as a whole. At the beginning of the session, without any preparation at all, I asked the first question, I asked members of the government if any one of them present there today had been manipulated by me in any way, or compromised by state security documents. I told them to speak out and say whether that had been the case or if he at least had any knowledge about it. No one spoke out. Even Mr. Kucerak who sat next to me remained silent.

The second question that was a subject of consultations was the issue that has been expressed or hinted at in the mass media more than once, specifically, that in the government I am supported only by Mr. Knazko. In a debate, representatives of the Christian Democratic Movement spoke and said that they are interested in the government fulfilling its function in the present composition. Thus their expression can be viewed as supportive and an expression of interest in stabilization so whatever exists inside the VPN should not destablize the government. Then both representatives of the Democratic Party spoke and also expressed their full support in the government. Then some other ministers—seven of them in fact—spoke and said that it is an honor for them to sit and work in this government. There was not a single voice against, not a single voice that would cast doubts. Some issues that are purely internal matters for the VPN have been postponed to be dealt with by the movement, and everything said about the situation in the government is untrue.

[Tvarozek] Thus, resignation so far is not being considered, as has been mentioned.

[Meciar] My resignation is out of the question because I am the prime minister, and I am fulfilling my duties properly. There have to exist reasons for me to resign. If someone does not like me—this is possible—surely liking or disliking or personal political ambitions cannot decide the government's composition. That is impermissible.

[Pospisilova] Mr. Prime Minister, Slovak television staff in their statement yesterday demanded that the Slovak Government recall the television director for his incompetence—both political and professional incompetence. Was this on the agenda, have you discussed this today?

[Meciar] I returned from Prague, from a meeting with the president at about 2330 or 0100, and I prepared until morning for the government session. Thus, the television staff statement is news to me. I do know that many such demands have been made, I have heard that, but officially I have not received any such proposal. If such a proposal should come, it would have to be discussed in the government. Deputy Prime Minister Carnogursky has told me that he has sent a letter to the director saying that in his post he should be above parties and he should not interefere or work for the benefit of one party only. He has banned him from taking part in similar coordinating talks. If he wants to do so, he will have to ask permission directly from him. If television staff come out with such a statement, the government will have to deal with it, and I think that the self-assessment of Mr. Zeman [Slovak television director] will be very important.

[Tvarozek] Yesterday at the Vikarka restaurant, you spoke about the future of constitutions and about the setup of the Czech and Slovak Federal Republic in general, and from those 10 points that we shall deal with later, the primary points from which the constitution will proceed are not clear. Will the federal constitution be created from national constitutions, or will national constitutions emerge from the federal Constitution? This is a problem that has been discussed for a long time, and it is still not clear even from those 10 points.

[Meciar] Yes, it is a problem that was discussed for a long time, and the discussion on it has not yet ended. Thus it does not appear in those 10 points. We have insisted that the federation has to be built from bottom to the top—that means from the citizen, community, district, and republic to the federation. On the basis of this, we have demanded that the principle of the republics' preeminence be recognized. This has been the stand of the entire delegation from Slovakia present there. This proposal has not been approved and has been postponed to be discussed at further meetings. We shall certainly return to it, because it is not a question of philosophy, but a question of the method of creating a federation that can end only between two limitations—we shall either consistently proceed from the bottom to the top or consistently decentralize from the top to the bottom, and this would place various republican and federal bodies at various positions and levels and would make various approaches through proper channels and with relevant contents possible.

[Pospisilova] Can you tell us very briefly now whether you are satisfied with yesterday's third meeting, the talks at the Vikarka?

[Meciar] The main thing is that matters are moving, that a certain political consensus is being achieved, a certain

unity of views is being achieved. This is progress. One cannot say, however, that we have agreed on everything.

[Tvarozek] We have to be fair to our colleagues—some 20 or 30 journalists are still waiting to speak to you, thus we thank you very much, Mr. Prime Minister.

Just to add to the government session: from 18 items on the agenda, so far four or five have been discussed. Those remaining include the draft proposal on the composition of the Slovak-Waloon mixed commission, a draft on agreements between the Czech and Slovak Federal Republic and the U.S. government, and with the government of Luxembourg, and other very interesting and very important items. We thank Prime Minister Vladimir Meciar and go to the studio.

Session Elects Presidium

LD0603103591 Prague Domestic Service in Czech 0930 GMT 6 Mar 91

[Text] At its session last night the Slovak Council of Public Against Violence [VPN] elected its presidium. Its members include Fedor Gal, Frantisek Miklosko, Josef Kucerak, Marian Calfa, and Miroslav Kusy. The council confirmed Fedor Gal in the post of chairman.

The session also dealt with the problems that have arisen in connection with the statements by Milan Knazko and Vladimir Meciar. The VPN Slovak Council sees in their action a violation of the principles of cooperation in the movement. Minister Knazko and Prime Minister Meciar did not accept the criticisms and, instead of attempting to resolve the problem, left the session.

In its resolution the VPN Slovak Council stressed that it will continue to base its work on the program, Chance for Slovakia.

Confrontation Reported at VPN Movement Meeting

LD0503231191 Prague Domestic Service in Slovak 2200 GMT 5 Mar 91

[Text] The Slovak Council of Public Against Violence [VPN] met in Bratislava tonight to discuss conflicts of views within the movement, which acquired a confrontational character after Milan Knazko's television address on Sunday.

Slovak Deputy Prime Minister Jozef Kucerak delivered a sharp criticism clarifying the development of relations between Meciar and VPN. The first stressed that he has given his personal support to the Slovak prime minister in tackling many controversial issues. He sided with him, for example, in the dispute with former minister Andras, and it is not true therefore that either he, or someone from the VPN coordination center, will ask for the prime minister's resignation.

Jozef Kucerak also described with absolute frankness, in his own words, many political faults of Vladimir Meciar, for example his nationalistic orientation, in the interest of which he even favored a breakdown of the federation. Concerning the events surrounding Sunday's television address, Jozef Kucerak said that the ministerial clubs have been considering for some time that the prime minister, as a representative of the movement, should consult on certain facts with the VPN coordination center. That is why a demand was voiced to hear his television address before it went on the air. Jozef Kucerak also criticized the methods of the work of the government, and ended his address by announcing that he is no longer willing to work in this cabinet.

The Slovak prime minister described this speech as a personal insult and as an attempt to introduce destabilizing elements into the movement and also into the work of the government. He noted that neither he nor the government, despite the fact that it is a coalition, have ever gone beyond the limits of VPN policy. To criticize the nationalist aspect is slightly absurd, because it is one of the pillars of the program, Chance for Slovakia. Vladimir Meciar emphasized that the VPN can only stay united if its members respect each other when expressing different views on some problems

He emphasized that he has no intention of leaving the movement, and he said that the implementation of the program mapped out should remain the main task. He described as unsubstantiated the criticism about his work at the federal talks, because there are written materials about everything.

The Slovak prime minister said at the end of his brief but specific speech, which was applauded: It is up to you to make a decision what to do with Meciar, but it is not necessary to do it in such a discrediting way as Mr. Kucerak.

The session of the Slovak Council of the VPN was interrupted by demonstrators assembled in front of the building of the coordination center. Slogans such as, "Totalitarianism of the VPN," "Enough of Gal," and, "We shall not give up Meciar," strongly reminded people of the atmosphere at the November meetings.

Deputies Walk Out, Form New Platform

LD0603094891 Prague CTK in English 0810 GMT 6 Mar 91

[Text] Bratislava March 6 (CTK)—Slovak Prime Minister Vladimir Meciar, External Relations Minister Milan Knazko and some other VPN [Public Against Violence] members walked out of last night's VPN session and decided to establish a new platform of the Public Against Violence movement.

The VPN met late last night to settle its current crisis, i.e. differentiation of views and hiding of mistakes, and to prevent developments which led to the split in Civic Forum in the Czech Republic.

The session received a message from federal parliament Chairman Alexander Dubcek saying that attacks against

the Slovak prime minister or any other member of the Slovak Government could seriously destabilize the political situation in Slovakia. Dubcek said he would oppose any VPN steps aimed at removing Meciar. Dubcek also recommended the possibility of constituting two streams in the VPN movement.

Earlier in the evening Meciar said the VPN can remain unified only if "we respect one another in explaining different views and stands on certain problems. I am not going to leave the movement", he said adding that the VPN should consider the fulfilment of its program its main task.

Asked by CTK whether he would resign Meciar said that resignation would mean an admission of guilt and that he has nothing to admit. He also said that if Knazko were recalled from his post he would go with him.

VPN Chairman Fedor Gal said the session was called in view of the possible destabilization in society and split in the VPN. He proposed an analysis of Knazko's earlier statements and decided about his removal should they contain any lies. He added the same steps should be taken against Meciar.

Slovak Deputy Prime Minister Jozef Kucerak criticized the Slovak Government's methods, unlawful search for information on cooperation of ministers with the former state secret police, differences in views on the preparation of new constitutions and the restitution law. He said he was no longer ready to work in a government using such practices and tending to use economic reforms for asserting national socialism.

New Platform Outlined

LD0603132191 Prague Domestic Service in Slovak 1100 GMT 6 Mar 91

[Text] A group led by [Slovak] Prime Minister Vladimir Meciar and International Relations Minister Milan Knazko that, at about midnight last night left in protest a session of the Slovak Council of the Public Against Violence [VPN] founded last night a platform called VPN for Democratic Slovakia [VPN za Demokraticke Slovensko]. It wants to renew the original character and goals of the movement that it had at its birth in 1989. In a resolution that it adopted, it supports fully and is in favor of respecting the program "A Chance for Slovakia" [Sanca pre Slovansko]. The creation of the platform is not to break up the movement; to the contrary, it is to preserve its identity. The platform distances itself from the attitudes and practices of some VPN representatives and fully supports the policy of the Slovak Government headed by Vladimir Meciar. The declaration and the foundation letter were signed by representatives of some 20 district VPN councils from Slovak regions and Bratislava and also some ministers of the Slovak Government.

In a letter this morning, representives of the platform informed Frantisek Miklosko, chairman of the Slovak National Council, about the birth of the platform in the framework of which an interparliamentary club of deputies has also been created. They assure him that deputies who identify themselves with this club fully support the VPN election program and that of the government, and support the Slovak Government in its present composition.

The newly established interparliamentary club in a statement for CTK says that at the VPN session there was an open differentiation between two forming streams of thought. An attempt to recall the prime minister and minister of the Slovak Government from their posts was the aim of nondemocratic methods and approaches. This step is viewed by deputies associated in the club as a serious attempt to destabilize Slovakia and the whole state politically. They identify themselves and support the original ideals of the VPN, democracy, pluralism, tolerance, and openness.

Federal Prime Minister Marian Calfa, in his assessment of the proceedings and results of the Slovak VPN Council, rejected the similarity between the internal situation in the Civic Forum [OF] and the VPN. In his opinion, the breakup in the OF followed a direction having defined itself as a party and relatively strongly toward the right. In the second stage the liberal center broke off from this trend. In the case of the VPN, Prime Minister Calfa believes that which remains is a kind of center, and the trend that is breaking off is defined on a strong national principle. Marian Calfa emphasized that by stressing the nationalist element, personal policy is being asserted in a populist way.

Slovak National Council Chairman Frantisek Miklosko admitted that internal tension had existed in the movement for some time. He at the same time expressed disappointment with the fact that at the time when a united Slovakia is needed, when new constitutions are to be adopted, the victorious movement has split up for reasons that it could have—with a certain amount of tolerance—overcome.

Press on Dispute Within Public Against Violence

LD0603095891 Prague CTK in English 0741 GMT 6 Mar 91

[Excerpts] Prague March 6 (CTK)—Today's Czech dailies focus on the presidential draft of the federal constitution and on the crisis in the Slovak Public Against Violence (VPN).

The independent daily MLADA FRONTA DNES says that the VPN crisis is a necessary and natural differentiation of the movement which represented many different interests before and was unable to remain united. Dealing with possible variants of the development of the dispute between Slovak Prime Minister Vladimir Meciar and VPN leader Fedor Gal the daily says that Meciar is being applauded above all by the extreme nationalist forces. If he wins he might gain a position he actually did not strive for. He would have to decide if he wants to be

a symbol of clericalism or nationalism. His power crusade will end successfully but there will be no other rational goal.

If the Fedor Gal group wins the dispute a wave of protests against the removal of the popular prime minister, including extreme expressions of nationalist groups which might try to declare a sovereign slovak state already on March 15, can be expected. Any attempt at a political liquidation of Prime Minister Meciar would be a risky and suicidal act for the leadership of the Public Against Violence, the daily underlines. [passage omitted]

Bratislava—Referring to the crisis within the leading political force in Slovakia, the Public Against Violence movement (VPN), the independent Slovak daily NARODNA OBRODA recalls a statement by Vice-Chairman of the Christian Democratic Movement (KDH—a coalition partner of VPN and the Democratic Party) Ivan Carnogursky that in no decent democratic country can the prime minister remain in his post under such circumstances and after such conflicts. Carnogursky thereby confirmed the opinion that internal antagonisms in the VPN suit most the strategic interests of KDH. On the other hand Slovak Prime Minister Vladimir Meciar is supported by the Democratic Party as its program is closer to his inter-pretation of the VPN program than to the orientation of other politicians in the movement, the paper said, pointing out that support by Slovak trade union representatives is important for Meciar's political future. The paper says it is necessary to consider very well whether Meciar can be removed without the risk that this would expose society to further complications and tension.

In an interview for the VPN daily VEREJNOST Slovak Deputy Prime Minister Jozef Kucerak said he was shocked to watch "how Prime Minister Meciar provokes conflicts, attacks the federal government, Czech political representatives and the federal parliament. It was then that I realized that he is not seeking respect for government bodies but that he strives to push through his own ideas".

The Christian Democratic Movement's paper SLOVENSKY DENNIK compares the current conflict between two groups within the VPN to the polarization within the Civic Forum, the strongest political force in the Czech Republic, pointing out, however, that in contrast to the CF, it is two leftist streams that clashed in the VPN. The paper sees the present dispute not only as the beginning of the disintegration of a unitary movement but as a sign of worse things to come, and says it testifies to a moral decline in posts where hundred per cent men are expected.

Chairman of the VPN Slovak Council (executive body between congresses) Fedor Gal said in an interview for the Democratic Party paper CAS that each leading representative of the VPN must respect rules of collective political work, adding that this applied also to Prime Minister Meciar who should attend sessions of the VPN Slovak Council and respect the joint positions of the movement or "should find another political party or movement to represent".

The farmers paper ROLNICKE NOVINY refers to yesterday's press meeting with Gal, saying that the VPN leader under-estimates the public when claiming it is poorly informed. The paper said Meciar was one of the few persons in the VPN who advocated the idea of Slovakia's sovereignty in every way and by concrete acts. The paper thinks the VPN was badly treating the prime minister, looking only for his mistakes and misusing them to its benefit.

Commentary on VPN Situation, Leadership Struggle

AU0503144891 Bratislava NARODNA OBRODA in Slovak 1 Mar 91 p 13

[Igor Cibula commentary: "The Pair of Horses of Slovak Politics; After the Assembly of the Public Against Violence Movement"—reprinted from SLOBODNY PIATOK No. 9/1991]

[Text] The unleashing of the struggle for power jeopardizes the already fragile balance on the political scene, without which the economic reform would be doomed to failure. With this poignant formulation, used in her analysis of the domestic political situation, [sociologist] S. Szomolanyiova reminded delegates to the last republican assembly of the Public Against Violence [VPN] civic movement [held on 23 and 24 February] that the movement has found itself on the threshold of an internal crisis. A similar characterization of the situation was presented by F. Gal, chairman of the Slovak VPN Council, who voiced apprehension about the fact that "doubts are beginning to be cast on the meaningfulness of this movement's integrity and unity."

The course of the assembly confirmed that, in defiance of these warnings, the tendency toward a split has started. It was initiated by Prime Minister V. Meciar, who would like to augment his present position of the strongest VPN authority in the eyes of the public with the post of the movement's highest representative. He found models for such a solution in the established European democracies and a justification in the communication problems between the government and VPN political representatives. While his critics qualify his quest for the accumulation of functions as an expression of his authoritarian ambitions, Meciar's followers consider it natural that the movement's prestige and actual political influence be reinforced in this way. Meciar's accentuation of the national elements of the VPN's "A Chance for Slovakia" electoral platform does not suit several intellectual leaders of the movement, but it also does not suit the VPN's so-called East Slovak faction, from which came the sharpest criticism that was leveled at Meciar during the assembly.

A distinguished figure of the VPN's "civic wing" is F. Gal who, in spite of existing disagreements, is trying to

maintain the movement's integrity to prevent the emulation in Slovakia of the Prague variant of differentiation, according to the Civic Forum pattern. Seeing in his person only an obstacle to Meciar's ambitions would be a vulgar simplification because Gal has the potentially greatest chance to maintain a relative balance within the movement until the half-life of its decay. In the present situation in Czechoslovak politics, it is extremely important to maintain the VPN's line as a stabilizing factor in the structure of relations between the decisive political subjects. It is not insignificant in this context that it is precisely Gal who has the skills needed to find solutions leading to compromise.

There exist several differences between Meciar and the VPN "general command." The failings of Meciar's choleric character or that which is very superficially being labeled as populism in his policy are far from being dominant among them. The chief difference is that in his government concept, the Slovak prime minister gives priority to the formation of Slovak statehood on the basis of a sovereign relationship with the Czech Republic. He does not tolerate the disregard for specific Slovak interests on the Czech side and bases friendship with the Czech Republic on frank ties of partnership that should not stand in the way of the search for Slovak identity within the European framework. Meciar's political philosophy is tied up more closely with the original VPN platform of November 1989 while the "civic wing" has drifted from the center to the right. The Slovak prime minister wants to remain a consistent "centrist," even though there are moments when he cannot deny his leftist genetic code.

Without Vladimir Meciar, the VPN might become politically disabled at present. Without the VPN, on the other hand, Meciar's popularity would be deprived of its hinterland so that he and Fedor Gal actually represent the pair of horses of the VPN, which is at the same time the pair of horses of Slovak politics, even though the Christian Democrats are seizing the whip cracking over their heads. Developments on the Slovak political scene depend on which horse will balk more vehemently!

Commentary on Meciar's Political Blunders

AU0603153091 Bratislava VEREJNOST in Slovak 4 Mar 91 pp 1, 4

[Ivan Hoffman commentary: Meciar's Fatal Mistake?"]

[Text] It is no longer true (as I wrote recently in LIDOVE NOVINY) that everybody in Bohemia and in Moravia criticizes Meciar. Neither is it true that in Slovakia nobody criticizes him. It is, above all, the conduct of Prime Minister Meciar at the last assembly of the Public Against Violence [VPN] movement that drew the attention of his political partners to the fact that, in the person of Vladimir Meciar, they encounter the dangerous phenomenon of an authoritative leader whose methods are becoming progressively more and more indiscriminate and whose plans are becoming more obscure all the time.

At a time when the prime minister appears to have realized that, within the VPN movement, trust in his policy of permanent confrontation (incessant quest for an enemy) is rapidly disappearing and, on the contrary, there is a growing conviction that it is necessary to give priority to the ways of cooperation and understanding, V. Meciar apparently made the worst political decision he could: He chose confrontation with his own movement, which, until now, has provided him with broad support and an information service, and "ironed out" his political slips.

The "lobby news briefing" by the prime minister and his premature departure from the meeting at the assembly in Topolcany, which did not proceed according to his expectations, could be denoted as the first "loss of nerve." In Topolcany, Vladimir Meciar wasted one of his last opportunities to correct his faulty assessment of the reality, give up his dreams of combining the post of the movement's chairman with that of the prime minister, and begin respecting the principle of collective work in the political line of the VPN movement. Following the past week's events, the political representation of the VPN movement apparently finally gave up on the idea that one could cooperate with Meciar.

What happened is that on Tuesday, 26 February, the prime minister, who has struggled tenaciously against vetting for months "on moral grounds," turned to Slovak Deputy Prime Minister Jozef Kucerak with a letter, in which he asks for Kucerak's comment on the allegation of his active collaboration with State Security. He did not manage to intimidate Jozef Kucerak, however, and received a response in which the latter asks that the issue be discussed at the next Public Against Violence Ministerial Club session. Concurrently, he informed CSFR Interior Minister Jan Langos, who rejected the suspicion of Kucerak's collaboration. Fedor Gal, chairman of the VPN Slovak Council, categorically denied the prime minister's claim that the information on the alleged collaboration of Jozef Kucerak had come from him.

As a result of the general outcry over this type of "personal politics," all VPN movement chairmen and ministers were informed about it immediately, and eventually the VPN deputies clubs in the Slovak National Council and the Federal Assembly were also informed. The news of the prime minister's actions is said to have been received with some disgust. The coalition partners were acquainted with the case later, when on 26 February ministers were called to an extraordinary session of the government at which they were asked to sign "an affidavit that they had never collaborated with State Security."

Prime Minister Meciar, who was allegedly very benevolent to numerous State Security "professionals" while working at the Slovak Republic Interior Ministry and let them keep their jobs, suddenly let it be publicly known that he had studied in detail the documents inherited from the previous regime, and thereby he has become open to the suspicion that he is struggling against vetting

for the sole purpose of being able to protect some State Security agents and blackmail others on the basis of his own information.

Public opinion, until now favorably inclined toward him, could easily change, for even in Slovakia voices are heard that people with obscure pasts have no place in politics. Prime Minister Meciar will not benefit in his struggle to reinforce his personal responsibility (personal power) either from his communist studies in Moscow or from his present "pink" orientation. The possibility cannot be excluded that the "polite veil of silence" over the damage caused by his "regional" activity in foreign policy will be "lifted" and that his signals of friendship sent to the Soviet Union prior to his upcoming visits to Russia and the Ukraine will become a subject of general interest. It would not be the first time that a never-criticized leader became an unpopular figure overnight—a long time ago, Gustave Le Bon observed in his "Psychology of the Crowds" that, if they lose, the masses are most cruel to even the strongest leaders.

It seems that the prime minister is facing the most difficult period of his career. According to well-informed sources, he has only one friend in the government—Minister for Foreign Relations Milan Knazko. His latest political escapades are allegedly not condoned by any of the VPN movement chairmen (Dubcek, Calfa, Miklosko, and Gal). His popularity in the VPN movement deputy circles has fallen to the lowest point ever. Even the assumption that society on the whole has forgotten its decision following November 1989 that it would follow the path to democracy may prove wrong. Moreover, regarding the support of the journalists, one cannot dismiss the possibility that they would prefer their independence.

[Bratislava VEREJNOST in Slovak on 4 March on page 4 reproduces the two letters referred to in the above commentary. Both are dated Bratislava 26 February. The first is a letter from Meciar addressed to Kucerak and requesting the latter's comment since "the date of birth cannot be found" in the State Security register. The other letter is a response by Kucerak to Meciar. He requests that the accusation be discussed at the VPN Ministerial Club later that day. Kucerak adds that he has informed Minister Langos of the above suspicion.]

Slovak Communist Official on Party Split, Future

AU0503154091

[Editorial Report] Bratislava PRAVDA in Slovak on 2 March on page 5, under the headline "Healthy Reason Should Dominate," publishes a 1,600-word interview with Peter Weiss, Party of Democratic Left chairman, by PRAVDA reporter Jozef Tinka, on the current situation in the Party of Democratic Left. The place and date of the interview are not given. Weiss is of the opinion that the change of the party's name is the number one cause of the disunity in the party. Some members are sentimentally attached to the original name, others "disagree with the general assessment of the situation" in the Communist Party. "They do not want to comprehend that certain type, of parties simply became obsolete." He insists, however, that "the claim of the excellent shape and perfect organization of the party enjoying a great trust of the society and a steady growth of membership until the Central Committee session on 26 January of this year, during which the evil leadership frivolously destroyed the party, is an illusion. The party was broken and demoralized long before 17 November."

The Party of Democratic Left, according to Weiss, is to be a parliamentary party "basing its influence on the support received from citizens in free and democratic elections." However, it should not be an elitist organization, Weiss says. "We have ambitions to be a popular and mass party, although we have no delusions of grandeur, and realize that our party's popularity will not match that which we enjoyed in the past."

Weiss also defends his party against the criticism of its failure to push through all its ideas, and equates these accusations to blaming the voters who gave the party only 14 percent votes. One has to accept political reality, Weiss insists.

At the conclusion of the interview, Weiss responds to a question about the endeavors to eliminate the Party of Democratic Left members from political life. "Despite the principles adopted by the government ... we bore witness to certain political manipulations and endeavors to maneuver out of public life able people only because their political views are not popular with someone." Weiss emphasizes that people should be rated by their abilities and everybody should get a chance—just as was proclaimed in November 1989.

PRC Foreign Minister Qian Continues Visit

Holds Talks With Antall

LD0503194491 Budapest MTI in English 1823 GMT 5 Mar 91

[Text] Budapest, March 5 (MTI)—The press office of the prime minister's office issued the following communique on Tuesday afternoon:

Hungarian Prime Minister Jozsef Antall met Chinese Foreign Minister Qian Qichen, in his office in parliament building on Tuesday. The one-hour-long meeting was held in an open and constructive spirit. The sides reviewed the full range of bilateral relations, and agreed that inter-state relations should be intensified, on a correct and non-ideological basis, in the spirit of the principles of mutual advantage, and co-existence. Both countries are interested in the development of economic, cultural and technical and scientific relations. Qian Qichen passed on an invitation to visit China from the Chinese prime minister to Jozsef Antall, who accepted the invitation.

In the course of talks, Antall said the Hungarian people greatly admire the achievements of the centuries-old Chinese civilization. Our government considers China, a permanent member of the UN Security Council, as one of the determining powers of the world, he said. The followers of democratic renewal in Hungary in 1956 welcomed the Chinese "hundred flowers" movement, and the government of Imre Nagy showed great confidence in, and expected support from, the Chinese Government. The disappointment was thus bitter indeed when in early 1957, the stand of the then prime minister Zhou Enlai aggravated the situation of the Soviet leadership, crisis-ridden as it was, and promoted the strengthening of the monolithic system in the whole of East-Central Europe.

From the mid-1980s, the Hungarian opposition forces again saw the champion of reforms in China, which is why the crackdown on the student protest was such a profound shock for the Hungarian people. The memory of this is still alive in the minds of the Hungarian nation, one sensitive to human rights, and while certain opposition forces express this by demonstrating in the streets, the head of government does so at the negotiating table. And yet saying this by no means implies that Hungary wishes to interfere in the internal affairs of the People's Republic of China, but giving free expression to opinion is the genuine road to improving relations, the Hungarian prime minister said.

Qian Qichen respected the Hungarian negotiating readiness and its frankness in the discussion of the problematic aspects of relations. The Chinese foreign minister stressed that there are no conflicting interests in relations, that China interpreted it positively that Hungary was more independent now than before, and considered internal reforms as private affairs of each country.

He noted that neither country has been able to sufficiently adapt to the recently introduced free-currency trade accounting. The sides agreed that the tasks of the governments are to create favourable conditions for companies to boost economic relations. The visit of the Chinese minister of foreign trade, and the conclusion of the agreement on the avoidance of double taxation, will shortly be held in this spirit. Qian Qichen raised the idea of drawing up an investment protection agreement, too.

Antall gave a brief on Hungary's home policy and economic situation, and the international political orientation of his government, which is mainly striving to develop relations with West Europe and North America, the rapidly developing countries of the Far East, and the Middle East region. He stressed that, as with the western nations, Hungary firmly stresses the "one China" principle from the political and legal point of view, but holds it necessary to establish relations with business circles in Taiwan and Hong Kong from the economic standpoint. Hungarian government members do not visit Taiwan in their capacity as government members, although the country holds the opening of trade representations, on a reciprocal basis, to be necessary for a stable organization of economic relations.

Qian Qichen acknowledged the Hungarian position, and added that China is open to the world, and wants to keep Hong Kong as a major financial centre even after it is returned to mainland China after 1997.

At the end of the talks both politicians stressed that Hungary and China can create good economic relations, in spite of their differing ideological and political outlook, as this accords with the interests of both countries.

Economic Cooperation Discussed

LD0503163291 Budapest Domestic Service in Hungarian 1600 GMT 5 Mar 91

[Text] President Arpad Goncz has proposed to the Chinese foreign minister that experts of the two countries should compile a list of possible areas of economic cooperation. The president of the Republic has called the attention of Qian Qichen to Hungarian telecommunications and metallurgy products and urged the exchange of students and translators.

During the day the Chinese foreign minister was received by Prime Minister Jozsef Antall and National Assembly Speaker Gyorgy Szabad.

Qian Qichen did not meet representatives of the National Assembly Foreign Affairs Committee during the scheduled program, because the committee decided that such a meeting is not timely at present.

Goncz-Qian Meeting Detailed

LD0503190391 Budapest MTI in English 1738 GMT 5 Mar 91

[Text] Budapest, March 5 (MTI)—"Relying on the good traditions of the past, there is a possibility of making

Hungarian-Chinese relations even closer. This is also promoted by the fact that the mighty Southeast Asian power, formerly a sharp opponent of the Hungarian revolution and freedom fight of 1956, is now treating the historical changes of East-Central Europe as political realities," said Arpad Goncz, president of the Republic of Hungary, to Qian Qichen, the Chinese foreign minister, currently on an official visit to Hungary. The president met the foreign minister in parliament on Tuesday.

Following the crushing of the students' movement in Tiananmen Square, Hungarian-Chinese relations "cooled down." Whilst talking of the possibility of revitalising these, Goncz said the building of relations should be based on mutual respect and reciprocal appreciation, and the principle of non-interference. In this respect, a promising sign is that China accepts Hungary's independent search for its own path, and Hungary recognizes China's demand for creating unity.

Discussing the possibilities of establishing economic relations, Goncz pointed out that there would be mutual advantages in putting the neglected capacities of Hungarian industry to use. Telecommunications and metallurgy were cited as good cases in point. China would probably be able to utilize the Hungarian technology in developing its own industry in these lines. Goncz proposed making a list, with the involvement of experts from the two countries, on future areas of economic co-operation, and starting trade talks on this basis.

Among the opportunities for developing cultural co-operation, Goncz is encouraging the exchange of students and translators.

Qian Qichen said China continues to show an interest in Hungary's experiences, and would like to "borrow" these, although it feels that direct imitation would be impractical. He stressed that his country's chief effort in the current world political situation was to maintain stability: "China needs stability, and the world needs a stable China."

China will continue its policy of reform and opening in this spirit.

Qian Qichen noted with satisfaction that Hungary is developing its relations with Europe most forcefully, so enhancing the country's independence. He noted: "The bloc system of the former decades was abnormal." The Chinese foreign minister was of the opinion that interstate relations should be shaped independently. He also stressed that there were no obstacles in the way of expanding Hungarian-Chinese relations.

The Chinese foreign minister passed on the good wishes of Chinese President Yang Shangkun to President Goncz, and an invitation for him to visit China. The Hungarian president accepted the invitation.

PRC Spokesman Reviews Qian's Visit

LD0503232591 Budapest Domestic Service in Hungarian 2100 GMT 5 Mar 91

[Miklos Lengyel report]

[Excerpts] [passage omitted] At this afternoon's news conference, the spokesman of the Chinese foreign minister described the Qian Qichen's visit to Budapest as a great success. Li Zhaoxing, who proudly announced that he is an assistant foreign minister, recounted that the negotiations with Geza Jeszenszky were primarily focused on economic relations. Bilateral trade reached a record in the mid-1980's but has gradually declined ever since. The Hungarian side would like mutual capital investment.

An agreement is also being prepared for the abolition of double taxation. The Chinese foreign trade minister will soon travel to Budapest in an attempt to boost economic relations. [passage omitted]

I asked the spokesman: Hungary was a kind of counterweight against the Soviet Union in the past, viewing the socialist world from Beijing. Now this has ceased. What kind of common interests do the two countries now have, or what kind can they have?

The spokesman replied that the Chinese Government believes that what happens in Hungary or other countries in this part of Europe is an internal matter. Regarding foreign affairs, well, they are ready to cooperate on the basis of mutual advantage.

In the past China rather agreed with Romania in the Hungarian-Romanian dispute, I said. What is the situation now? Recently President Iliescu visited Beijing—he was perhaps the highest ranking guest since the Tiananmen Square massacre.

In his reply, the spokesman did not agree with the suggestion that Romania was valued higher than Hungary in Beijing in the past.

In this regard I would add that Ceaucescu was expected in Beijing at the end of December 1989.

The spokesman was at his sharpest when discussing the sacred territory of the motherland in referring to Tibet. He declared that the Dalai Lama is not only a religious leader but also a political figure, and Beijing hopes that he will not be received in any country with which China maintains diplomatic relations.

The Chinese foreign minister will stay in Hungary for three days—this is the fifth stop of his European tour. One of the main aims of the journey is to reduce the isolation in which China found itself after the massacre in June 1989.

Anti-Qian Rally Held in Budapest

LD0503174691 Budapest Domestic Service in Hungarian 1700 GMT 5 Mar 91

[Peter Szorenyi report]

[Text] The Federation of Young Democrats [FIDESZ] has organized a protest demonstration against the visit of the Chinese foreign Minister.

[Szorenyi] Chinese toothpaste cannot be more important than memory; there is no so-called higher economic or political interest; we must remember the bloody events in Beijing of 18 months ago. This was said by Marton Monos, member of the FIDESZ board, at the demonstration of about 100 people. He drew an historical parallel between the Hungarian events of 1956 and the massacre in Tiananmen Square.

The sympathizers—FIDESZ members and National Assembly deputies who were present at the demonstration—therefore, do not agree to the visit of the Chinese foreign minister. At the least, they expressed their joy that the appearance of Qian Qichen in the session hall of the National Assembly was canceled.

Finance Minister Interviewed on Economic Goals

AU0503140891 Munich SUEDDEUTSCHE ZEITUNG in German 4 Mar 91 p 26

[Report on interview with Finance Minister Mihaly Kupa by Bela Weyer in Budapest early in March: "Breakthrough for the Private Economy"]

[Text] In the next four years, a stable economy will be established in Hungary, with a freely convertible currency and solid growth, with a one-digit inflation figure and a balanced payments balance. Those are the goals of the four-year program of Finance Minister Mihaly Kupa (50) who considers these goals—which are a wishful dream to many Hungarians—realistic and achievable. In an interview with SUEDDEUTSCHE ZEITUNG, Kupa also mentioned two sources of danger: First, the collapse of the Eastern European trade, particularly the Soviet Union's insolvency, and, second, the limit of what the people can bear. The Hungarians will have to go through a very hard time until 1994.

This year, all market economy institutions will be definitely established; in 1992, foreign trade will be fully liberalized, and Hungary will become an associated member within the EC; in 1993, the forint as the national currency will become partially convertible and it will be fully convertible in 1994. Those are the most conspicuous milestones in Finance Minister Kupa's four-year program. You might think that the Hungarians, who need much hard currency because they travel a lot, may find convertibility extremely attractive; however, the finance minister dismisses your assumption phlegmatically: "They will get used to it very quickly."

He says that the first year in his program is more problematic than achieving the final goal. Trade in Eastern Europe is threatening to collapse entirely. The Soviet Union is unwilling or unable to open letters of credit and to pay for Hungarian exports, despite valid delivery contracts. "If that continues, we will have to make a difficult decision," he says, citing the example of the state-run Ikarus bus company. For many years, this former socialist model enterprise has sold more than half of its production (over 10,000 buses every year) to the Soviet Union that now, however, fails to pay. Because the other important customer, the former GDR, said recently that in the future, Mercedes buses would be preferred, it is crystal clear what this "serious decision" will be—the enterprise will be closed down.

"We cannot, however, accept the idea of Hungary granting the Soviet Union interest-free credits," says Kupa, and adds that Moscow's debt toward Budapest totals $1.5 billion. It could jeopardize the most important basis of the program, which has absolute priority—Hungary's resolve to repay the credits from the West totally and on schedule, and by no means to ask that its debt be rescheduled. By the way, this is the point where the finance minister, who is usually calm and phlegmatic, may get excited: when Hungarian politicians—including even from the ranks of the government coalition, which is strange enough—propose the idea that Hungary should try not to have to repay the money that was borrowed by the communists. "After all, we are not a developing country, and in addition, rescheduling our debt would cost more money," says Kupa.

The Criteria

In this way he has made it clear that the most important thing in the "magic quadrangle" is the balance of payments during the next few years. The second most important thing is combating inflation—Hungary wants to reduce the present rate of 35 percent to a one-digit figure within four years—and combating unemployment. Combating inflation has a greater chance of success, even though social policy will be affected. Economic growth is clearly the least important task. Kupa says that before the economy is boosted, the economic structures must recover.

"Criteria of recovery" are the breakthrough of the private economy, the reduction of redistribution—in Hungary, 64 percent of the Gross Domestic Product are still centralized and redistributed even now—and generally, the implementation of the motto "as little state control as possible." On the one hand, Finance Minister Kupa is satisfied in this respect. "We are closer to the market economy than any other former Eastern Bloc country," he says, citing as examples the banking system, the liberalized economic rules, and his compatriots' mental attitude.

On the other hand, he is dissatisfied and impatient. "Legislation in the National Assembly could proceed much more swiftly," he says, referring to draft laws on

accounting, concessions, the central bank, and in particular on property issues, which should be discussed, dealt with, and passed as soon as possible, to create clear conditions and absolute security for investors. "Investors must feel at home here," says Kupa, who four years ago, when he was a main department head in the Finance Ministry, worked out the tax system according to the Western pattern. It is interesting to note that nonetheless, he is not unpopular as a finance minister, and he is one of the few politicians from the Antall government who have a good relationship with the press and cultivate contacts with it.

Kupa, who after a brief interlude in the private economy (he was a director at the British business consultants company DRT Touche Ross & Co.) returned to politics, mentions two other conditions for the success of his program: First, closer cooperation with Western Europe. In this respect, he does not consider Hungary's formal membership within the EC most important; the most important thing is for him the better market opportunities. "We still lose about $1 billion every year because of customs, quantity quotas, and import levies in Western Europe," he says.

A Hard Road

That is precisely the sum that he must get out of his own people's pockets. The decrease of the living standard has also been estimated at $1 billion—the sum by which consumption in Hungary will probably decrease this year. "That is what our people must stand; however, they must also be convinced that we are capable of development. The road to Europe requires self-confidence."

SZDSZ Official Discusses Parliament Activity

AU0603113291 Budapest MAGYAR HIRLAP in Hungarian 5 Mar 91 p 4

[Interview with Peter Hack, representative of the Alliance of Free Democrats in the National Assembly (SZDSZ), by Balazs Stepan; place and date not given: "Two-Thirds Delay"; first paragraph is MAGYAR HIRLAP introduction]

[Excerpts] The Hungarian National Assembly is under heavy criticism and the activity of the parliamentary deputies is viewed with increasing impatience. Legislation of basic laws governing the activity of our society and economy is delayed, and the National Assembly falls into its own trap when it deals with other issues rather than legislating essential laws. Last year's agreement between the Hungarian Democratic Forum [MDF] and the Alliance of Free Democrats [SZDSZ] determined the range of laws that require a two-thirds majority in the National Assembly. According to Peter Hack, the National Assembly should legislate economic laws.

[Stepan] Looking back to the last nine months, what can you say about the two-party agreement? Has this agreement correctly determined the range of laws that require a two-thirds majority in the National Assembly, and has this agreement stood the test of time?

[Hack] I think it is quite clear now which laws require a broader parliamentary consensus; however, I must admit that the compass of such laws can be extended, and some laws could even be dropped from this range. In my view, however, this is not the essence of the problem. [passage omitted]

[Stepan] In your view, what laws are not included in the circle of laws that require a two-thirds majority in the National Assembly?

[Hack] The law on agricultural land, for example, because this law will determine the property relations for many decades to come. Besides, it would also have been more politically fortunate for the government parties if the National Assembly had discussed this land property law as a law that requires a two-thirds majority in the National Assembly. It was up to the MDF to choose either a coalition loyalty or a rational decision. Coalition loyalty prevailed....

[Stepan] In your view, how does the legislation of two-thirds majority laws advance?

[Hack] I think this is a constant task. Unfortunately, these laws that require a two-thirds majority in the National Assembly all share the fate of our chaotic legislation. The first quarter of this year is over, and the government has not yet prepared its legislation plan for the first half of this year. As a result, bills are discussed arbitrarily because, when the government realizes that it is late in submitting a bill, the government puts it on the agenda urgently. Although the Council of Ministers prepared a legislation plan, the parliamentary committee has not yet received even the February proposals. Besides, the plan stipulates the legislation of 15-20 laws monthly, and this is illusory. Priorities should be established. I would urge the legislation of the police or state security laws. I would also advance the legislation of the law on information and data supply because this could provide the basis for national security and police regulations; however, regulations encouraging our economic restructuring are the most important ones. [passage omitted]

Advisory Committee Urges Spring Elections

AU0503143891 Warsaw GAZETA WYBORCZA in Polish 2-3 Mar 91 p 2

[Presidential Advisory Committee Open Letter issued in Warsaw on 1 March: "Spring Elections Are Essential"]

[Text] The next few days will decide whether parliamentary elections can be held in spring 1991. Despite the people's overwhelming desire for early elections, manifested in numerous resolutions and declarations, discussions in the Sejm and other focal points of central authority are continuing without end, and no decision is being made.

Given this situation, the Advisory Committee once again wishes to reiterate the foreseeable effects of postponing parliamentary elections:

1. Prolonging the temporary nature of our present state authorities increases the danger of aggravating the economic crisis through a lack of internal stability and the increasing uneasiness felt by our foreign partners.

2. Over the last few months, there has been a reemergence of forces in the USSR calling for a reimposition of Moscow's influence on its neighbors. Given this development, it would surely be a great risk to continue with our present Sejm, where the majority of deputies are representatives of political forces that, until very recently, were totally compliant to the will of the USSR.

3. The present Sejm cannot be considered as an appropriate political base for any government, and its composition makes it impossible to administer the country efficiently.

4. By persisting with an unrepresentative Sejm, we set a bad example of democracy for our citizens. Attempts to postpone spring elections are also an affront to our president's authority, who called for early Sejm elections during the presidential election campaign.

5. Besides Albania, Poland is the last country of the former communist bloc still to hold free parliamentary elections. This delay is blocking our endeavors toward securing membership of Western European economic and political institutions.

6. By perpetuating the existence of an unrepresentative Sejm—the last vestige of our former nonsovereign state—we are weakening the authority of this institution in the eyes of all Poles. The Sejm must be a body that represents the will of the people.

Warsaw, 1 March 1991.

Andrzej Kostarczyk, Stefan Kurowski, Anton Macierewicz, Zdzislaw Najder, Jan Olszewski, Zbigniew Romaszewski, Jan Winiecki, Wojciech Wlodarczyk.

Walesa Wants 26 May Parliament Poll

LD0503234891 Warsaw PAP in English 2309 GMT 5 Mar 91

[Text] Warsaw, March 5—In his interview for the third channel of the Polish radio aired today, President Lech Walesa said he was opting for the parliamentary election on May 26 in order to get through the past as soon as possible.

Asked about his pre-electoral pledge to speed up changes, the president said he could not speed up anything as long as there had been no government. "Now, it has been merely two months. If I wanted to speed up now, it would kill the prime minister and the government," the president said.

While assessing his two months in office, the president said that during the round-table talks he personally limited the president's powers, not anticipating that he was limiting them for himself. "Now I am trying to change the state of things I inherited from the general (Jaruzelski) as both small and big things have to be solved," the president said.

Bielecki on Economy, Germany, EC, NATO

AU0503120291 Hamburg DIE WELT in German 4 Mar 91 p 11

[Interview with Prime Minister Jan Krzysztof Bielecki by Ulrich Schmidla in Warsaw; date not given: "Poland Is Almost Bankrupt—How Can It Live With These Debts?"]

[Text] [Schmidla] Prime Minister, before the elections and before you were appointed, President Walesa promised the citizens to speed up the reform process. You have been in office since 4 January. What have you sped up so far?

[Bielecki] The most important thing is to speed things up in the economic sphere. Currently, we are working on a three-year program, a job that also includes a delegation from the IMF. We need the program so we can present it to the Paris Club of creditor countries at a working meeting in the middle of March. I hope that this program will open the decisive stage in the discussion of Polish debts.

[Schmidla] What does this mean for the population in concrete terms? What can the people expect from this program?

[Bielecki] Our program is above all an exact outline of the three-year transformation of the Polish economy that will be based on a sound footing. It means that the country's solvency—inflation is its deadly enemy—will be preserved. Besides, through this program the process of economic restructuring can be financed directly through the International Monetary Fund. Moreover, for the World Bank, which provides us $1 billion each year,

it is a guarantee that this restructuring process is designed and carried out more or less systematically, whereas for the Paris Club it is a confirmation of the Polish Government's good intention to give much thought to the task of overcoming the crisis.

[Schmidla] Will it imply the loss of even more jobs and another reduction of the standard of living?

[Bielecki] We have not yet discussed all external factors of the speeding-up process, and you already ask a question that is related to the internal factors. In the current situation, Poland must answer a great number of questions by 15 April. At that time, the Paris Club will be convened and it might decide to reduce our debts. Without such a decision, one cannot discuss foreign investment in Poland. Hence we have prepared a new draft law that has already been passed by the cabinet. It is very liberal, and we hope that the Sejm will adopt it and pass the relevant law by April. If you add the far-advanced talks about Poland's associated EC membership, then you have a whole package of external factors that have to be clarified before Poland can breathe again.

[Schmidla] Now let us turn to the internal factors, Mr. Bielecki.

[Bielecki] Poland has a high inflation rate—about 12 percent in January, 7 percent in February. Our fundamental objective is to return to monetary policy [as published], which was considerably eased as a result of the presidential election campaign. In the second half of 1990, wages increased faster than prices and even faster than productivity.

As far as the factors that you mentioned are concerned, I have to tell you that the unemployment figure is not very exact. It was based on the value of 1 January 1990, when there were allegedly no unemployed at all. Yet this is not true. There have always been parasites in the communist economy, as General Jaruzelski put it, people who did not work. Some of them turned to the labor offices, claimed that they had no jobs, and were granted unemployment benefits. Before the law was first amended, anyone could go there, even women who had never had proper jobs in their life and only worked in the household. Hence, in several regions of Poland, unemployment is a very painful phenomenon— mainly those areas where the people voted for Tyminski, whereas in other regions it is only a marginal problem.

The important thing for Poland is to get development started by promoting investment, extending the private sector, and expanding the markets—and not by raising wages. By summing up these introductory explanations, I want to say the following: If we want to improve the situation, then such improvements must be based on investment, on the development of entrepreneurial spirit, on the private sector, and on privatization. What I want to promote especially is "small-scale privatization." Maybe we will even start this month.

[Schmidla] Can you tell the man in the street exactly when things will get better?

[Bielecki] It looks as if the upward trend might begin in the second half of the year.

[Schmidla] The increase in the crime rate was achieved more easily—it was up about 70 percent last year. Is that the price for political freedom?

[Bielecki] No, there are various reasons for it. The increase in the crime rate is the consequence of great political changes in Poland. Many people have left the police. When we assumed power almost one-third of the positions in the police were vacant. There was no solidarity between police and society. After all, the police had been on the side of the regime for 45 years. Of course it will take a certain time to regain confidence.

As far as economic crimes are concerned, we made a number of mistakes, including legislative ones, which made illegal activities easy. Some people also abused liberalization in the foreign trade sector. It is a serious problem to achieve liberalization on the one hand, and to fight against economic crimes on the other. The change in the regulations in connection with state prosecutors, according to which a state prosecutor cannot take action independently but has to wait for a complaint, has made the system of state prosecutors not work particularly well. It has lost its dynamic role. On the other hand, it is difficult to change certain regulations in the current Sejm, which will soon be dissolved. Let me add something in connection with economic crimes: We intend to make our borders tighter because customs duties must go into the public purse and not into the pockets of certain people.

[Schmidla] You mentioned lack of trust between the police and society. Sources from the president's palace have stated that there are plans to have combined police and military patrols. Does that not raise bad associations with the conditions in the USSR?

[Bielecki] The kind of association that this triggers depends on the individual. A better solution would be to reestablish a police system in Poland, where the police go on patrol in the individual neighborhoods. People in the cities are very anxious to have such patrols, and the interior minister is ready to support such activities. Walesa's proposal is a case in point for the president's activities, who tries to find solutions quickly that benefit the people as soon as possible.

[Schmidla] How difficult is it to be prime minister at the side of a head of state who is alleged to be planning to shift the center for decisionmaking from the building of the Council of Ministers to the presidential palace?

[Bielecki] I have never heard of such plans. Besides, in line with his powers, the president has the right to preside over any session of the Council of Ministers. He has been there only once for half an hour when the cabinet constituted itself. A precise answer must take into account two levels. First, our Constitution clearly distinguishes between government and the president. On the other level, let us call it the psychological one, the president has a right to intervene if the government is at its wits' end.

[Schmidla] As prime minister, would you rather have a president who remains in the background, like General Jaruzelski?

[Bielecki] I am a supporter of the principle that everybody must fulfill the role that he was assigned. If the Constitution entrusts the president with a significant role, why should he not use his powers? Please, let me point out a small difference: Jaruzelski was elected as a result of the agreements reached by the roundtable, whereas Walesa was elected in general, direct elections; therefore he has a mandate to act in line with his constitutional rights.

[Schmidla] He was supported by a great majority. Yet today many workers are dissatisfied. There have been strikes or preparations for labor actions in numerous industries. The man in the street has the impression that there is hardly any difference between Mazowiecki's government and yours.

[Bielecki] Well, I do see a fundamental difference. The previous government could count on the support and complete trust of the people during eight months, whereas we were not given a single minute. The expectations of society are very high. The people are only interested in a breakthrough. Of course we could achieve this breakthrough without any problem, but it would lead to the collapse of our monetary policy. Then the people would say that the Bielecki government is the best government after World War II: Higher wages, lower interest rates, higher public spending. The effects would be immediately felt by the people and it would provide us an excellent position for the parliamentary elections, which will probably be held in May. The only question that remains is: What is next?

[Schmidla] Does this mean that you want to stick to "popiwek," the magic word of Finance Minister Balcerowicz, for fighting against inflation, which is nothing but a penal tax on exaggerate rises in income?

[Bielecki] It is one of the silliest words in the Polish language. "We do not need 'popiwek'." We need a policy that sets a limit to wage increases. A ministerial group is currently working out solutions for modifying this system without running into the danger of unsystematic spending of money.

[Schmidla] Will you first have to ask the World Bank or the IMF?

[Bielecki] No, the World Bank does not interfere in this issue. Besides, it has never taken any interest in it. The IMF is interested in the inflation rate and not in the means that lead to a restriction of wage increases. By the way, on 1 January a kind of "popiwek" was introduced in the CSFR. During this year, wage increases must not exceed 8 percent, otherwise a penal tax has to be paid. Hungary also revised its wage policy.

[Schmidla] Does it really matter how one describes the fact that wages must not increase as much as prices?

[Bielecki] Your are right. Still it is impossible to grant the enterprises absolute freedom in their wage policy.

[Schmidla] Poland has to bear an incredible burden in the shape of its foreign debts. There have been proposals to reduce these debts. Warsaw would like to have the debts cut by 80 percent, while the countries of the Paris Club are only willing to renounce one-third of their claims. Is this not too little? After all, it would still leave Poland with $30 billion of debts. Would it not just mean the postponement of the country's bankruptcy by a few years?

[Bielecki] You are right, it is not enough. I am convinced that this view is shared by almost everybody in the Group of Seven. For us it is important that our neighboring country takes a very friendly attitude toward the problem of the Poles, which has been proved in my last two talks with Mr. Genscher. On the other hand, the calculations that you have made are too simple, because we are also conducting talks with the London Club. We owe the Paris Club about $30 billion, the London Club $10 billion, and the remainder to countries with which we have to hold bilateral negotiations. If we assume that we are granted a higher percentage for the reduction of our debts, then the result is about $20 billion or more. Because Poland is almost bankrupt, the development of our economy must really first of all be guided by settlement of our external issues and not by aiming at a short-term, illusory improvement of the living conditions.

[Schmidla] In connection with its reform process, Poland has strongly counted on foreign assistance. Yet it does not get as much support as it expected. Are the bureaucratic hurdles too high, or what other reasons are there?

[Bielecki] You have to ask this question more precisely. What do you mean by foreign assistance?

[Schmidla] It is important to have foreign investment here, because it contributes to the development of the

Polish economy. I am not speaking of loans, but of creating new jobs through investments.

[Bielecki] Well, I agree. By the way, in last year's balance of payments, I found a position that made me smile: direct foreign investment in cash: $10 million. Had it been billions, then it would have been the money we need. This is why, at the beginning, I spoke at great length about the fact that investment in Poland depends on various factors, namely indebtedness, EC association, the three-year restructuring program, the monetary fund, and so on.

There is yet another aspect, one that particularly refers to the Polish-German relationship: When we visited Germany in November 1989—which was Walesa's first visit, by the way—we had the impression that there was great interest in Poland. I attended several meetings, including one at the German Trade and Industry Association that was attended by a great number of potential investors. Then the Berlin Wall came down and—in my opinion—our neighbor's foreign policy was not sufficiently appreciated by Poland at the time.

[Schmidla] How do you mean?

[Bielecki] Well, because our path toward Europe leads via Germany.

[Schmidla] You have good personal contacts with respect to the German economy. Have these contacts helped you in anyway to get some advantages for Poland?

[Bielecki] There have been a few positive signs. By the way, I think very highly of good personal relations, and I believe that this will become an important basis for our efforts, although several of my good friends are no longer in the German Government after the December elections. In Davos I met Helmut Haussmann. Although he is no longer a minister, he is ready to help Poland.

[Schmidla] The great friendship treaty between Germany and Poland is still pending. It should have been ratified in February or March, but it seems that it will be even further delayed. When will the two governments ultimately sign the treaty?

[Bielecki] I would like it to be signed as soon as possible. In my view it is not the Polish side that delays matters.

[Schmidla] One of the rather sensitive issues is the inclusion of the rights of the German minority. In your view, what should the minority be allowed to do and what should it not be allowed to do?

[Bielecki] The minority should be allowed to do everything that follows from international law.

[Schmidla] By abolishing compulsory visas for Germans who want to visit Poland, Warsaw has set a signal to which Germany has not yet responded. Are you disappointed?

[Bielecki] No, I am not. I think that we should go even further concerning these unilateral regulations. Still, I have already discussed this topic with Foreign Minister Genscher.

[Schmidla] On Tuesday you are going to visit Bonn, Cologne, and Frankfurt. What are the objectives of your talks?

[Bielecki] We are neighbors, which is a good enough reason to have many and diverse contacts. I suppose Chancellor Kohl and French President Mitterrand, for example, meet about 10 to 20 times a year. Many opportunities have been missed in the history of Polish-German relations, and we must try hard to really start a new chapter in cooperation. We will discuss many subjects that are of fundamental importance for Poland during my visit: the treaty on cooperation, the transit problem, and the withdrawal of the Soviet Army, Bonn's position on the reduction of Polish debts, the process of our EC integration, the suspension of compulsory visas, and the subject of economic cooperation.

You see it is a very complex catalogue. I would like to remind you that even before I became prime minister, I wrote that Poland's path to Europe leads via Germany. I am trying to implement this option in practice in a way that is favorable for both sides.

[Schmidla] The linkage between the transit of the Red Army from Germany and its withdrawal from Poland has caused irritation in Bonn and Moscow. Who is to benefit from Warsaw's inflexible position?

[Bielecki] I am not sure whether "inflexible" is the right word. Our policy is aimed at guaranteeing the security of the Polish state. Thus, we are making efforts that both the Germans and the Russians understand and accept our position. We regard the transit of the Red Army from Germany and its withdrawal from Poland only under the aspect of European security. We are ready for dialogue, because we are anxious to have good relations with both neighbors. We hope that Bonn interprets our attitude correctly, because it will be an important element for strengthening our relationship. We will discuss this issue in Bonn on 5 March.

[Schmidla] Foreign Minister Skubiszewski does not attach great importance to the threatening gestures of the Soviet military. He says that only the talks on the political level will decide. Yet what will happen if the military ousts Gorbachev?

[Bielecki] I am not a prophet but a politician. In the civilized world, it is natural and obvious that politicians

talk to each other about matters of international relations. With the USSR, we conduct our policy on two levels—dialogue with the central leadership and cooperation with the individual republics. As far as the statements of the Soviet military are concerned, we think that they were most inappropriate, which has been emphasized by our Foreign Ministry.

[Schmidla] Do you think that events like those that occurred in Lithuania in January are still possible in Poland? Is it still conceivable that the Russian bear would cross the Vistula?

[Bielecki] In the current situation I think it is most improbable. Relations between our countries are undergoing changes. The military structures of the Warsaw Pact will be disbanded this month, and CEMA will also be dissolved. They are to be replaced by a new structure of cooperation, for which the principle of the recognition of mutual sovereignty will not be an obstacle but an economic and political boon.

[Schmidla] The Gulf war has shown that military solutions continue to be a political means. Is there any guarantee that Moscow has distanced itself from such solutions?

[Bielecki] The Gulf war should be regarded above all under the aspect of international law. The activities of the allies have been legitimized by the resolutions of the UN Security Council. As far as Moscow is concerned, the guarantee is contained in the system of European security, which has been generally accepted by the international society, of which the USSR is an important element.

[Schmidla] In the eighties, Poland strongly contributed to the arms buildup in Iraq. Do the Poles have to feel bad about it today?

[Bielecki] This is not the right approach to this problem. These transactions were related to certain political preferences and obligations of the Polish People's Republic. The Poland of today is changing its political system, which is currently reflected in the fact that we participate in the Gulf war on the side of the allies. As far as the arms deals are concerned, we will set up a "negative list" of those countries with which we will no longer do any business for political reasons. The political reasons must overrule the financial aspects.

[Schmidla] Security cannot be had for free. What security system do you perceive after the dissolution of the Warsaw Pact? Is Defense Minister Kolodziejczyk's concept of "military neutrality" a viable path, or will Poland one day join NATO?

[Bielecki] Any security system is based on the ability to create a balance in the game of interests. My government represents a strong pro-European political option by giving precedence to rapid integration within the EC. We want to link ourselves to Europe through strong and deep political and economic ties. The concept of "military neutrality" is a natural result in the moment of the disbandment of the Warsaw Pact. For Poland it implies both the necessity to change its defense doctrine and to introduce a complex reform of the Army. Still, as far as the future is concerned, one cannot rule out that we will seek cooperation with NATO, for example, in the shape of political consultations. I would like to emphasize that President Walesa's visit to NATO in Brussels is scheduled for April. His visit shows that we are interested in possible cooperation with NATO.

[Schmidla] When do you see Poland as a full member in the EC?

[Bielecki] Within this decade.

[Schmidla] Free parliamentary elections, which are scheduled for May, are a condition that still has to be fulfilled for being accepted as a member in the Council of Europe. Will you continue your work as prime minister after these elections?

[Bielecki] Free parliamentary elections are indispensable for the victory of democracy. I have repeatedly stated that I consider my mission a service to the country. On election day, my cabinet and I will resign. Democracy will decide what will happen thereafter.

Stanley Tools Concludes Joint Venture

AU0503163191 Warsaw RZECZPOSPOLITA Economy and Law Section in Polish 27 Feb 91 p 1

[Malgorzata Szyszllo report: "'Stanley' in Sulkowice"]

[Text] Almost one year to the day since negotiations commenced, the Polish "Kuznia Sulkowice" Tool Factory and the "Inter-Vis" Foreign Trade Company have signed a joint-venture agreement with the American company "Stanley," one of the world's largest manufacturers of tools, on starting up production of tools at the Sulkowice plant.

Tadeusz Blachut, president of "Kuznia Sulkowice," told RZECZPOSPOLITA that Sulkowice-based "Stanley Tools Poland" has starting capital amounting to about 5 billion zlotys. "Stanley" has provided 51 percent of the amount, "Kuznia" 44 percent, and "Inter-Vis" 5 percent. The president said that there was no doubt that the plant would start to manufacture three products: split-joint pliers; carpenters' pincers; plasterer's pliers. He said that the company plans to produce about 350,000 of these tools this year with a value of about $500,000. Most of the tools will be exported and will be sold through the "Stanley" chain of shops.

Blachut said that, apart from contributing liquid financial assets, the American partner will also provide the company with assets to the tune of approximately $1.5 million in the form of machinery and equipment for the manufacture of the products in question. The machinery

and equipment will be transferred to Sulkowice from the "Stanley" factory in Besancon, France, next month. Although the machinery is used, it will be modern by our standards and will represent technological progress.

[Szyszllo] Apart from the factory work force, how many people will the company employ?

[Blachut] There will be 35 employees out of a work force of 870; however, it should be added that as output grows and the range of products increases, more persons will be employed.

[Szyszllo] How much will employees of "Kuznia Sulkowice" and the company earn?

[Blachut] It is difficult to give a precise figure for what company employees will earn at the present time; however, I do not think the difference will be that great. Currently, the average wage at the factory is 1.5 million zlotys.

In assessing the joint venture, continued T. Blachut, I think the most important thing is that our enterprise is now linked to one of the biggest and best producers of tools in the world. Having access to its organizational experience and technology will make it possible for us to modernize our manufacturing processes and expand the factory.

Reportage on Bielecki Visit to Sweden

WA0503143991

For reportage on the visit by Prime Minister Jan Krzysztof Bielecki and Minister of Ownership Transformation Janusz Lewandowski to Sweden to attend the two-day session of the Executive Committee of the Liberal International, as well as their meetings with Swedish Prime Minister Ingvar Carlsson and Swedish financial and trade representatives, see the Nordic Countries section of the 5 March West Europe DAILY REPORT and subsequent issues.

Stanculescu Interviewed on Warsaw Pact, Terrorists

AU0603090391 Buchaest TINERETUL LIBER in Romanian 2 Mar 91 pp 1, 2

["Part One" of interview with National Defense Minister Victor Atanasie Stanculescu by Aurel Perva and Gavrila Inoan; place and date not given: "Will We Find Out in August Who the Terrorists Were? The Army Is Making Serious Efforts in This Respect"]

[Text] [Perva] Mr. Minister, you participated in the recent historic meeting on the dismantlement of the military structures of the Warsaw Pact. What does this mean for Romania?

[Stanculescu] I can tell you that we are back to a normal situation both for Romania and for Europe. Basically, the six documents of the treaty were "set aside," so to speak, during that meeting. These documents dealt with various military bodies and the commitments of our Armies to the respective bodies, primarily to the command of the Joint Armed Forces; the sixth document referred to the employment of the Joint Armed Forces in case of war. We did not sign the latter document in the eighties. We were against it because it implied subordination to an overall command. We have always maintained that orders should be given through the national commands. As a matter of fact, people made interesting remarks about our different position, that somehow resembled the French presence in NATO. The Czechoslovak foreign minister told me after the meeting that, for the first time the Czechoslovak Army is under a national command. They felt themselves subordinated to a foreign command, which we did not feel for ourselves. Problems that may crop up can be solved through bilateral ties, primarily with our neighbors, and also bilaterally with many NATO countries, with which we have already started negotiations. The negotiations with France and the French Army are in the most advanced stage; we have already signed a very comprehensive draft bilateral cooperation agreement with the French Army that covers, I may say, all military spheres. This agreement was worked out in its smallest details and I will soon go to France for talks with French [Interior] Minister Pierre Joxe. I understood that he is very busy right now with various Gulf-related problems, so the agreement will be signed later; we decided that our meeting should be held in the forthcoming period, in May.

Concerning bilateral relations with the Spanish Army, our military Navy commander has already visited Spain, primarily for cooperation with the Navy, by taking into account the traditions of the Spanish Navy. We have already sent experts to Italy who contacted the Italian Army and received assurances of support and opening from the Italy Army. This means that their government has also agreed that Italian firms specialized in military technology should establish contacts with the Romanian Army. I would like to name the most important company, Otomelara. I have already given my approval for them to visit Romania, at their convenience.

[Perva] Could one talk about cooperation in the Latin sphere?

[Stanculescu] Latin affiliation is a priority, I would say; however, there are also language capabilities. Many officers in our Army speak French, and we have people who also speak Italian. Last week we sent a military attache to Madrid, he is among the last ones to fill up a vacant post. This enables us to establish many such links this year, on the basis of bilateral accords. A military delegation specialized in logistics will go to Turkey at the beginning of the current month. We set out from the fact that, when the chief of staff of the Turkish Army visited us, we conducted a very interesting discussion on the logistics of Army supplies under conditions of a market economy, a sphere in which we rather lack experience. Food, equipment, and fuel supply experts will, therefore, make up that delegation to Turkey. We will study their system of links with private firms. We also want to put together such a system, to be prepared in this respect, too. We must proceed along these lines as of this year.

Because we are talking about this year, aside from promoting general military relations, we must accelerate the conclusion of bilateral agreements on territorial antiaircraft defense, in view of the fact that the Warsaw Pact unified defense system practically stops operating as of 31 March. The first delegation to come to Romania in this respect is that of the Hungarian Army; we arranged this visit during my latest trip to Budapest. The second delegation to follow will be that of the Bulgarian Army.

[Perva] In several of your interviews, I read about a normal, if not even cordial, relationship between you and your Hungarian counterpart.

[Stanculescu] Yes, I had very interesting discussions, some of them of a historical nature, with Hungary's defense minister. At a certain point, he told me: "Balcescu and Kossuth [Romanian and Hungarian leaders of the 1848 revolution] could not do anything. In 1945, Petre Groza and our people tried to do something. Maybe we will be wiser and will take the elements of a new Europe and strive to understand them properly." This position was of great help to me, because that kind of atmosphere, which prevailed at least at the level of governmental organs, also facilitated the conclusion of the trade and cultural agreements. Maybe, a meeting of the two foreign ministers will take place in Romania this month to solve other "pending" problems, so to speak.

[Perva] So, the minister of defense is also involved in diplomacy?

[Stanculescu] We must get involved, because, particularly now, in the post-Warsaw Pact stage, I believe that the Ministry of Defense must shape the country's military policy, which is part of the country's overall policy. We have specialized people, who have a kind of special relationship between them, so to speak, due to our common profession of soldiers; there is a common language between us military men. We avoid talking too

much or in very intricate phrases. We are more to the point. We work and talk more directly.

[Perva] Mr. Minister, another question, let us call it a more journalistic one: Who and what should the Romanian Army fear most?

[Stanculescu] This is not a mere journalistic question, but one that is of some concern to us. For the time being, the Army is afraid of lagging behind the modern European armies; likewise, it is also afraid of lagging behind the new spirit brought up by democracy and of failing to adapt to the interhuman relationship and to the particular and spectacular changes we are currently experiencing. This is a primary aspect that we should bear in mind; therefore, we strive to thoroughly examine each step we are undertaking and to disseminate the new in the Army, which should be at least of a European level.

A second problem: I believe that we should bear in mind—without meaning that we should be with the finger on the trigger—the need for combat readiness, so to speak, particularly at a time like this, a time of transition from the bloc policy to a policy of all-European security. I do not anticipate that this policy will be achieved overnight. We are faced with complex problems at a European level, and I believe we should take these steps toward all-European security carefully, patiently, and after thorough preparations. For the time being, therefore, we can say that we are going through a more critical stage, which is also due to this overall situation, particularly in view of the fact that—as was decided last November in the French capital city—we expected the legislatures of the participating countries to give "green light" to the Paris Agreement, within 90 days. No country, however, has yet had this agreement examined by their respective legislatures. There is already talk about certain inconsistencies regarding the implementation of the accord, something that makes various people adopt a wait and see attitude. I maintain, however, that this postponement is no good, even though extra-European situations, such as the Gulf situation, are invoked at motives. We must quickly return to our European problems to solve them; therefore, this would be a second most important problem for the Romanian Army.

[Perva] Mr. Minister, regarding the beautiful monument dedicated to the heroes of the revolution, a monument that was inaugurated yesterday: In practical terms, who did the Romanian Army fight against after 22 December?

[Stanculescu] Look, there is a parliamentary commission led by Mr. Sergiu Nicolaescu; its composition has already been announced. We are carefully collecting all available documents, because we must reach a very exact conclusion. Because on the one hand, we also had our dead people—and they were not a mere handful. Even here, in the courtyard of this ministry, we had seven people shot with great precision in the head, not from the back, but from the front—that is, from across the street. We caught people with their weapons on them, but the follow-up procedures—less ours, more those of the people we handed them over to—were deficient. It is a fact that out of the entire nominal list we had—we still have it; that is, the list has been given to the General Prosecutor's Office—material evidence is lacking. Had we been more careful in those days, we would have had all the necessary evidence now. Somehow the control over that situation slipped through our fingers.

[Perva] Still, your answer is more encouraging than the answer recently received from the General Prosecutor's Office, which is very cautious....

[Stanculescu] I know! We are working along these lines. By August, we want to collect all documentation nationwide and second, to correlate our conclusions with those of the enquiry commission, which has representatives from all bodies—Prosecutor's Office, Justice, and Army—to reach a very concrete conclusion and thus be able to dot the i's and cross the t's. In this respect, I decided that the Army should compile a so-called "White Book" with all the due data, documentation, and maps that will be published to let the country draw its own conclusions. We have been working on it and we are beginning to arrange the huge volume of material collected thus far in a logical manner, per localities and dates, in function of the unfolding of events and the data supplied by reports, statements, and the people's experiences.

[Perva] Aside from problems linked to cases of intoxication and other such strange incidents during the revolution, can one talk about a foreign interference before and after 22 December? At a recent cocktail party given by you for the press, you mentioned some unusual and foreign-made armaments and ammunition used during the revolution.

[Stanculescu] Yes, here, in my coat pocket I keep some ammunition from that period. Look, here is some ammunition with vidia [type of metal] [sentence as published].

Roman State of Nation Report Continues

AU0503163791 Bucharest ROMPRES in English 1524 GMT 5 Mar 91

["Part Six" of "State of the Nation Report" by Prime Minister Petre Roman to the Parliament on 26 February]

[Text] Buchares: ROMPRES, 5/3/1991—In the opinion of many reputed experts, the monetary policy in a transition economy is a key to social stability.

A basic aim of the government's monetary policy for 1991 is to keep inflation under control and prevent the price rises brought by their liberalisation and adjustment, as well as external shocks from triggering an inflationist process. For that purpose, the credit programme is set on an inflation rate under control. In that

way, price changes required by the market will only be influenced by the existing money supply which appears to be very high, given the fact that incomes have dropped to less than half of the total money owned by the population from previous decades. It is the opinion of the government that prices cannot be kept under control unless the monetary pressure is eased.

The credit programme for 1991 is so made as to consistently pursue the aim of increasing the gross international reserves by 700 million U.S. dollars in 1991 and the money supply in national currency by 15 per cent.

Under the circumstances, the rise in the net domestic funds of the banking system will be of 15.5 per cent of the money supply. In consideration of the ceiling to net credits that banks can extend to the administration of 18 billion lei for the whole year credits to the non-governmental sector may rise to 22.8 per cent in 1991. However, more funds will actually be available than the above figures may suggest because, as state enterprises will become commercial companies at the start of 1991, their restrictions on the use of their bank deposits now estimated at 30 billion lei will be lifted. In agreement with the fiscal policy aims outlined in the preceding paragraph, the net credit extended to the central administration by the banking system in 1991 will not rise beyond 3.3 per cent of the total money supply at the end of 1990.

Although the credit programme will originally be carried out through specific bank credit ceilings, the government would like to pass on fast to indirect monetary control methods including refinancing through public sales. The refinancing facilities extended by the National Bank are planned as a residual source of money. The savings bank deposits with the National Bank will gradually be unfrozen so that they may add to the funds offered on the interbank market for which savings are the only source of supply at present. Furthermore, in order to promote competition on the interbank market, the extra pension fund and the insurance company will have the right to gradually increase their investment in commercial banks.

In order that the credit policy become more efficient, enterprise discipline will be strengthened when interest is lawfully charged the rate of which will be set on the market on inter-enterprise credits and the bankruptcy law now in the making is enforced. Besides, strict banking control will support such credit policies as are set on profit-making criteria only, and interest-free debts owed to the banks that are not paid until 1 April 1991 will be replaced starting September 1991 by non-negotiable administrative instruments providing repayment through a tax on the re-appraised enterprise property and on other sources such as the state's sales of commodities.

Interest rates set by the market mechanism are particularly important in a market economy in that they enable an efficient allocation of credits and stimulate money savings. The government intends to quickly pass to a flexible interest rate structure and will largely rely on the inter-bank money market adding to which will be the extra pension fund and the insurance company as additional money suppliers in setting the interest rate for the economy as a whole. Only in the last resort will the National Bank act as creditor through. Its re-financing facilities with a refinancing rate that is either above the interbanking market rate, or is set by bids for centralised banking re-financing. The deposit and borrowing rates will be freely negotiated by banks and their customers starting 1 April 1991. However, the value dispersion of these rates will be controlled and the National Bank will be prepared to take steps and limit the dispersion, should it become too high. The new banking law will authorise banks to insure new short-term deposit certificates, with market-set interest rates. The government itself will issue similar financial instruments.

The new law on banking and central bank activity will speed up the radical change of the banking system to make it capable to react to market signals, a long way from what it used to be when it had to meet the demands of central planning. However, there is a pressing need to expand and update this system in terms of technology, operations and management. Romania's National Bank has recently become independent, it has renounced commercial banking activities to concentrate on developing a new regulatory framework with foreign specialised assistance. Against this background, monitoring banking activities, including the necessity to prevent lawfully objectionable loans, will be in the focus. A uniform book-keeping system is developed to make it applicable to all economic and banking units; the system will make it easier to evaluate enterprise funds and will give all banks a framework for an accurate appraisal of their solvency. The growing decision-making authority of banks requires that the flow of information be re-directed and that the supervision and control authority be more open. The legal provisions under which the National Bank is given greater authority will be published. In the approval of banking certificates, objective criteria will be used.

On all these matters technical assistance from abroad will be used. Finally,in order to promote a competitive banking structure, foreign banks should be allowed on the domestic market.

Government Accused of Being Securitate 'Puppets'

AU0603125891 Bucharest ROMANIA LIBERA in Romanian 1 Mar 91 p 3

[Carmen Antohi article: "Who Did We Elect on 20 May?"]

[Excerpts] Although the figure (not even an approximate figure) of the telephone listening stations and of the bureaus in which our correspondence was being read has never been published, and although the number of those who worked for the Securitate and of those who were

demoted or released from their positions has never been made known, we—ordinary people—managed to learn certain things about the activity of "the people in the shadows" by reading some photocopied documents published in certain weekly magazines. We learned that the Securitate was involved as early as 1973 in large economic programs, with plans "drafted for 4.6-4.8 months, without additional imports or pay increases." We learned about proposals to acquire 1 billion dollars for Romanian investments in exchange for 15 billion dollars' worth of Romanian goods. Among other things, we can also read about the fact that: "We should ask the economic ministries to set up small working teams with which we are able to work." Another proposal we read about was: "To find a collaborator who is an expert in beetroot (both in the grain and technology) to go to Israel."

As far as culture is concerned "the people in the shadows" used to investigate or to receive with great enthusiasm all kinds of information about the state of mind of writers, or about this or that theater performance in which reference was made to... or there was a scene which might mean...; they knew word by word—because they were intercepted—the telephone conversations of the cultural figures of that time.

Under Ceausescu's leadership, the Securitate got involved with enthusiasm and determination in absolutely all areas of society, just like the variety of cells affected by cancer that infests an organ. [passage omitted].

Logically it was impossible that the Securitate—this force of repression—after infesting the Romanian body to such an extent, would give up its tremendous power and control over the country's vital forces without a struggle. Instead of the struggle, however, they chose another alternative—that is, to use the future President Iliescu and Prime Minister Roman as mere puppets. This can certainly be proved through the events of 17-22 December but mostly through 22-28 December. In a recent article, Gh. Simionica clearly demonstrates that the police Record-Keeping Department, under the direct supervision of the Prosecutor's Office, should certainly have been in charge of carrying out an account at national level to obtain a clear picture about the exact number of victims of the revolution. As far as the number and identity of terrorists is concerned, the majority of them could have been identified too, on the basis of documents: In the past years, the permit to own a hunting rifle could be obtaied only under very strict conditions and only by people who had been thoroughly checked by the Securitate and militia. Through ballistic examination of the type of weapon used and the weapons that were fired, their owners could have been very easily identified. As far as the ill-treatment of the wounded who survived those days is concerned, there is no doubt that the memory of those traumatized people exactly registered the faces of their aggressors. At least a part of the terrorists could have been identified through such measures had the officials shown a minimum of interest in this respect. On the contrary, however, everything possible had been made to erase every trace and to make all compromising documents disappear. Taking into consideration that Mr. Iliescu states with candor that he does not know who the terrorists were, this clearly means that he has not made even the most elementary effort to discover who they were.

Whom did we elect on 20 May? Did we elect accomplices of the Securitate and simple puppets with smiling faces? The cancerous tumor that could have been extirpated in those days of December was instead covered with tricolor bandages. In light of the efforts to hush up the abominable crimes that took place in the period 17-22 December, but mainly in the 22-28 December period, can the 20 May elections be considered legal? Can an election in which there was an electorate that was politically unprepared and full of hope, confidence, and enthusiasm, an electorate that became—willingly or unwillingly—true accomplices of the Securitate and of those who fired at the people be a legal one?

All those who deep inside are convinced that nothing can be built on treachery, lies, and crime will realize why chaos, corruption, and rapid deterioration have embraced our whole social and political life. There is much talk about the 20 May elections and mostly about the fact that Mr. Iliescu is the president elected by the people. Did that 80 percent of the country's population know what was hidden behind that well-known smile?

Regime Critic Victim of Knife Attack in Geneva

AU0603133891 Paris AFP in English 1316 GMT 6 Mar 91

[Text] Geneva, March 6 (AFP)—Unidentified assailants attacked and wounded a Romanian diplomat and critic of his country's regime at his home here late Tuesday, police announced Wednesday.

Dumitru Mazilu, an international law and human rights expert and special rapporteur of the United Nations sub-commission on human rights, was hospitalized after he was attacked by two men. He published his findings on Romania's poor human rights record in 1989, accusing the regime of hardline communist leader Nicolae Ceausescu of serious human rights violations.

After Mr. Ceausescu's ouster and execution in December 1989 Mr. Mazilu joined Romania's new leadership but quit a month later denouncing what he called "Stalinist methods" by Presdent Ion Iliescu and his followers. Mr. Mazilu has lived in exile in Switzerland since that date and repeatedly complained of intimidation. He held former agents of Romania's dismantled secret police Securitate responsible for Tuesday's attack.

"Two elegantly dressed masked men pounced on me. They beat me up and threatened me," Mr. Mazilu told the daily LA TRIBUNE, adding that the assailants had threatened to kill him if he spoke to the police.

In a related development, the International Federation for the Rights of Man on Tuesday said Gabriel Andrescu, chairman of the federation's Romanian branch, had received several death threats.

Unidentified men beat up another member of the Romanian branch, Banu Radulescu, on January 4, according to the federation.

TU Wants Baltazar Replaced in Negotiations

AU0603110591 Bucharest DREPTATEA in Romanian 27 Feb 91 p 4

[Communique by the Steering Committee of the Inter-Trade Union Alliance Confederation issued on 23 February; place not given]

[Text] The position of the Inter-Trade Union Alliance Confederation on the discussions of the joint Government-Trade Union Commission is as follows:

Bearing in mind that during the 15 February 1991 meeting of the joint commission, Prime Minister Petre Roman was asked to replace Government Spokesman Bogdan Baltazar because of repeated insults addressed to the trade union movement, the Inter-Trade Union Alliance Confederation demands that the Romanian Government makes it clear that Mr. Bogdan Baltazar will no longer be empowered to deal with or make public statements regarding to the trade union movement.

Taking account of the commitments made in this sense by the government toward the trade union movement representatives, who are signatories to the joint Government-Trade Union Convention, the Inter-Trade Union Alliance Confederation will claim the right to withdraw from the proceedings of the joint commission.

Adopted at the meeting of the Steering Committee of the Inter-Trade Union Alliance Confederation today, 23 February 1991.

Steering Committee of the Inter-Trade Union Alliance Confederation

Spokesman Discusses Diplomatic, Economic Activity

AU0503203791 Bucharest ROMPRES in English 2005 GMT 5 Mar 91

[Text] Bucharest ROMPRES, 5/3/1991—The dynamics of Romania's relations with the international organizations has found a concentrated expression in the visit Mr. Anders Bjorck, president of the Parliamentary Assembly of the Council of Europe, paid here soon after the organization granted this country the status of special invitee, stated in his weekly news briefing government spokesman, State Secretary Bogdan Baltazar. The visit, he showed, has meant a leap in Romania's collaboration with the Council of Europe, the recognition of the obvious and irreversible progress in the domain of democracy in Romania, of the progress and possibilities connected with Romania's participation in the ample activity deployed by the organization in the field of human rights, promotion of democracy and cooperation among the member-countries, in the social, cultural and political domains.

In the period ahead, the spokesman said, Romania's cooperation with the Council of Europe pursues especially the participation of a Romanian parliamentary delegation in the 43rd session of the Parliamentary Assembly (April 22-26), in the Helsinki meeting (June 25) on the parliamentary dimension of the conference on Security and Cooperation in Europe, our country's adhesion to a string of conventions of the Council of Europe, in which we expressed our interest, the intensification of the general cooperation in the legal field, the drafting together with experts of the Council of Europe of a plan of integration of the Romanian institutions in the organization's activity. Likewise, we bear in mind the opening of a general consulate in Strasbourg. We consider that Romania's intensified participation in the Council of Europe's activity will lead soon to its admission as full member of the organization, the spokesman said.

As many as 19 autonomous companies and 1,428 commercial companies have been set up under the Ministry of Resources and Industry. The autonomous companies operate in the strategic branches of the national economy, and the commercial companies in all branches pertaining to the ministry stated the government spokesman in his March 5 newsbriefing. Bogdan Baltazar also showed that the documents were being analyzed for the organization of other 68 commercial companies. Only 13 industrial entities are yet to be organized. An IBRD [International Bank for Reconstruction and Development] program, worth some 40 million dollars in a first stage is about to be made final, covering companies of utmost importance like Renel, Petrom and Romgaz.

Romania is very keen on diversifying the outlets for its products of machine-building, electrical engineering, chemistry and other domains, as well as on starting cooperation ventures to cover the import of such important raw materials as: copper from Chile, iron ore from Brazil, other ores from Ecuador, coffee, bananas, etc., stated government spokesman, State Secretary Bogdan Baltazar with reference to the present visit of Romanian Prime Minister Petre Roman to Chile, Ecuador, and Brazil.

Stating, at his weekly press conference, that Romania's budget for 1991 has been approved by the two chambers of the Parliament and endorsed by the president of the Republic, government spokesman Bogdan Baltazar specified that one third of the budget (i.e. 22 billion lei) has been apportioned for socio-cultural spendings and 97 billion lei for state social security. This year the state will be building up the fund for economic restructuring

which is to be spent on investments, temporary assistance to enterprises tending to become profitable, termination of financial arrears of units considered as still viable.

"Each statement in a speech reflects, in the first place, the willingness of the government to accept any better variant that might solve certain problems," said government spokesman Bogdan Baltazar with reference to Prime Minister Petre Roman's allusion, in his report before the Parliament, to the likelihood of changing the present government formula. "In this context, it may be that the prime minister had in view the following three situations: a vote of confidence of the Parliament for the present government, a cabinet reshuffle within the ranks of the same ruling party or the opening of the governing formula to political forces outside the National Salvation Front, ready to effectively assume governing responsibilities and thus prove their governing capabilities."

'Better' Measures Taken To Meet Energy Demands

AU0603110691 Bucharest ROMPRES in English 1027 GMT 6 Mar 91

[Text] Bucharest ROMPRES 6/3/1991—Public electricity consumption over January-February 1991 in Romania was 62 percent higher than over the same period last year, the government spokesman said, adding that the same amount of public heat had been supplied as last year.

For March, as well as for the whole year 1991, a programme was worked out aiming at a better energy supply both electricity and heat to the consumers. Estimations in that respect, the government spokesman said, show that electricity consumption will be higher than in 1990. Industrial consumption will decrease, while public consumption will increase by about 40 percent. The thermo-power stations will provide 8 percent more heat than in 1990.

Public heat consumption will increase by about 38 percent. Despite those facts, there will be problems in the heat supply of the capital in winter 1991-1992. Consumption requirements for the moment amount to about 5,000 g. calories per hour in cold weather, while heat distribution stations can provide maximum 3,100 g. calories. With a view to increasing the heat production capacity, new power stations are scheduled to become operative before this summer, which will cover much more of the domestic demand.

State Minister Dijmarescu Views Visit to U.S.

Reluctance To Grant MFN Status Viewed

AU0503202591 Bucharest ROMPRES in English 1903 GMT 5 Mar 91

[Text] Bucharest ROMPRES, 5/3/1991—It is worrying for us to see that while most of the countries now in a process of transition to a market economy have been granted the MFN [most favored nation] status by the United States, the matter is still being discussed as far as Romania is concerned, stated on February 5 Eugen Dijmarescu, minister of state for economic orientation, referring to his visit and interviews in Washington with U.S. officials.

These contacts, the Romanian dignitary declared, were in line with our preoccupation for the normalization of all of our relations with the United States.

The Washington authorities consider there still are signs of a possible postponement of the decision. The explanation given is that the United States negotiated or is negotiating new commercial agreements with other states in Eastern and Central Europe. In Romania's particular case, the commercial agreement was reinstated to operation by the two governments' common will. The redemption of the clause therefore depends upon the full clarification of the problems connected with the content of the Jackson-Vannik Amendment. Legally speaking, there is every condition now in place for Romania to be granted the MFN status, but there is equally a desire on the American side to renegotiate the commercial agreement. We asked that the extant commercial agreement remain in force in the time agreed upon by the two parties, the American party advance the soonest proposals for a new type of commercial agreement, while the administration and the Congress may consider in the meanwhile the reinstatement of the MFN status.

At this moment, the United States knows that Romania has been granted the status of special invitee to the Council of Europe and, based on the talks conducted in Washington, Minister Dijmarescu stated, a first American step and gesture toward Romania has been concretely made, as the American party deblocked the agreement on a bridge loan contracted under the international banking facilities. The American executive has made known its readiness to support Romania by direct participation with 40 million dollars in the setting up of the fund necessary for the operation of this loan.

The State Department now considers the advancement to the White House of the recommendation to advice in turn the Congress to reconsider its position on the Most Favoured Nation status in the relations with Romania.

U.S. Investments, Technical Aid Viewed

AU0603102891 Bucharest ROMPRES in English 0940 GMT 6 Mar 91

[Text] Bucharest ROMPRES 6/3/1991—We should make a difference between investments of the kind already made by some small American companies who have set up 130 direct offices and joint ventures, on the one hand, and, on the other hand, the participation of large groups in investments likely to bring about the changes we've been looking forward to in our economy, from the point of view of organization, efficiency and quality, Minister Eugen Dijmarescu stated during a news

conference after his recent visit to Washington. He mentioned his discussions there had also tackled the participation of American experts in the field of technical assistance for the implementation of a market economy in Romania.

Speaking about the negotiations which are under way between Romanian officials and American companies in order to start important investments in Romania, the minister underlined the United States' readiness to open a new era in its relations with Romania. That refers first of all to the technical assistance the United States is ready to give Romania, by sending technical experts to all the institutions of new Romania, as advisers for the parliament, the government, ministries and private institutions. He further stressed the American eagerness to support the printing in Romania of books, textbooks and information materials related to the management and administration in a market economy, also by granting free copyrights.

Severin Visits CSFR; Economic Relations Viewed

AU0603135791 Bucharest ROMPRES in English 1155 GMT 6 Mar 91

[Text] Bucharest ROMPRES 6/3/1991—Mr. Adrian Severin, minister, prime minister's assistant for reform and relationship with Parliament, co-chairman in the Romanian-Czechoslovak Intergovernmental Commission of Economic and Technical-Scientific Collaboration, made an official visit to Prague, at the invitation of Mr. Pavel Hoffman, minister of strategical planning of the Czech and Slovak Federal Republic, co-chairman in the intergovernmental commission.

During the talks between the two ministers analysis was made of the economic and commercial exchanges between Romania and Czechoslovakia in the new conditions. Emphasis was placed on the necessity to back the economic agents in the two countries to identify together new forms of cooperation and specialization, in keeping with the current demands of the transition to the market economy. The sides decided to call up the foreign trade commission for April, 1991.

They convened that the old joint commission cease its activity because it did not correspond to the new conditions and that a lively, dynamic bilateral body be set up to promote the Romanian-Czechoslovak collaboration in the economic, industrial and technical-scientific fields, to elaborate a long-term agreement of industrial and technical-scientific collaboration and to call up the first session of the new intergovernmental body for the end of this semester in Bucharest.

During his visit to Prague, Mr. Adrian Severin had interviews with Messrs. Vaclav Klaus, minister of finances, and Vladimir Dlouhy, minister of the economy. Information were exchanged on the reforms in Romania and Czechoslovakia and many common concerns were noticed, that being a reason for the continuation of the consultations and exchange of experience.

Mr. Adrian Severin also met with Mr. Jozef Miklosko, vice-president of the Government of the Czech and Slovak Federal Republic. On the occasion, emphasis was placed on the current questions in Romania and Czechoslovakia aimed at deep political, economic and social changes to create the state of law, political pluralism and market economy.

The visit, the meetings and interviews underscored the special importance both sides attach to the development of bilateral relations.

Joint Ventures To Tap Oil, Gas Deposits Viewed

AU0603110991 Bucharest ROMPRES in English 1000 GMT 6 Mar 91

["Economy: Romania Back to the Oil World"—ROMPRES headline]

[Text] Bucharest ROMPRES 6/3/1991—As many as 26 prestigious oil companies have requested "Rompetrol S.A." geophysical and geodetic studies of 15 potential oil fields in Romania, selected to the end of concluding identification, exploitation and production distribution accords, assesses Nelu Ionescu, Dr. Eng., director general of the Romanian company that cooperates in oil and gas exploitation abroad.

These fields were presented at an international meeting held in Bucharest arousing a particular interest. It was attended by over one hundred presidents and directors general, experts of 55 oil companies from the United States, Germany, France, England, the Netherlands, Australia, Korea, Canada, Belgium. Worth mentioning is the fact that 12 of the potentially hydrocarbon-rich fields are on land and three are on the Black Sea continental shelf. Noteworthy is the fact that drilling is made at the expense and risk of the foreign partners, while production is to be shared function of each company's involvement or of the dimensions of the fields (650 to 9,600 square km).

The meeting, organized by "Rompetrol," was one of the most important events of the kind in the world, marking also Romania's comeback to the oil world after almost fifty years. Part of the transition to a free market economy, this interesting initiative of economic, technical and scientific cooperation proves to be a tangible modality of attracting foreign capital as well as modern technology of tapping and exploiting hydrocarbons, a vital domain for Romania's economy.

"Rompetrol" experts will work out and supply about one hundred studies requested by participants in the Bucharest meeting. An international tender will be held in May when the most interesting and useful offers will be chosen. Romanian specialized companies will help finalize this cooperation venture either with equipment or with experts, granting foreign partners technical and engineering services for the tapping and capitalization of new crude and gas deposits.

Roman Conducts Talks With Chilean President

AU0603103891 Bucharest ROMPRES in English 0945 GMT 6 Mar 91

[Text] Santiago ROMPRES 6/3/1991—Now in Santiago de Chile, Romanian Prime Minister Petre Roman analysed, during his talks with personalities in the host country, the possibilities to dynamize the collaboration between Romania and Chile.

He was received by the president of the Republic of Chile, Patricio Aylwin, who expressed his sympathy for the Romanian revolution and his confidence that the democratic evolutions in Romania would be successful.

Present at that interview, the Chilean minister of foreign affairs informed his president about the results of the Chilean-Romanian negotiations now under way which, in his opinion, opened large possibilities for the development of the relations between the two countries.

In his turn, the Romanian prime minister highly appreciated the talks to conclude agreements of economic and trade collaboration.

After a confidential interview with the minister of foreign relations, Enrique Silva Cimma, Petre Roman presided together with his collocutor over the Romanian-Chilean working meeting which examined the bilateral documents to be signed at the end of the visit. Analysis was also made of the current international issues, especially of the Gulf crisis, the developments in Eastern Europe, in the Soviet Union included.

Prime Minister Roman proposed the setting up of a Romanian-Chilean banking system as a basis for the development of the economic exchanges and the financing of bilateral cooperation, proposal received with interest.

The Romanian prime minister reasserted his interest for the foundation in Bucharest of the Latin American house, an idea welcomed by the representatives of the Chilean Government.

The Romanian prime minister also met with representatives of the confederation for trade and production.

Presidency Session Held; Mesic Views 'Crisis'

AU0503165491 Split SLOBODNA DALMACIJA in Serbo-Croatian 2 Mar 91 p 32

[HINA report: "A Step Closer to a Union of States"]

[Text] Belgrade, 1 March—After today's SFRY Presidency session that was held in Belgrade and attended by all the republican and provincial presidents apart from Croatian President Dr. Franjo Tudjman, SFRY Presidency Vice President Stipe Mesic made a statement for Croatian television in which he said:

Today's session actually had two points. The first was a discussion of a report by [Prime Minister] Ante Markovic on coordinating the minimum that is required for the system to function. This consisted, at first, of 11 laws, but now it consists of five of those that should be adopted in the SFRY Assembly. I do not think all the laws have been agreed upon; something is still being tried, and they will then go to the Federal Assembly for adoption. There was a debate on this that I think was constructive.

The second point was a continuation of the discussion on resolving the Yugoslav constitutional and political crisis. One could perceive what was present before, that is to say, two options: one is a confederal option, which means a union of states, and the second is a unified state. This time, Macedonia and Bosnia-Hercegovina—two republics that previously did not have a defined stand—are now closer to the idea that their sovereignty cannot be put in jeopardy and that links between the members of this future union of states can be discussed. This is particularly the case with Macedonia. How all this will progress in the future will depend on how future talks develop.

It was decided that we should not now be a slave to the stands that have been adopted, because nothing would be able to be agreed upon; rather, we should see what functions we could possibly have together, so we can carry out these functions like the European Community. It was agreed to set up a group of experts that would have members from all republics and that would work on several subjects: defense, the monetary system, foreign policy, human rights.... This would be prepared for the next session.

Vice President Mesic continued, today's session did not begin with all its participants because President Tudjman did not come. One contribution to the SFRY Presidency session was the view of the Federal Public Prosecutor, who assessed the letter that President Tudjman had sent to the President of the United States asking for the support of President Bush in peacefullly resolving the Yugoslav crisis, as not being in line with the Constitution, or with the law, and as a possible criminal act. Tudjman did not not come to the session because he was afraid of something but simply because of the principle of the way in which the session was prepared, because it is not logical that such criticisms be bandied about prior to a new summit. I believe that those who took part in this will learn certain lessons, and that we will hold future summits in a calmer atmosphere.

Replying to a question on how the other participants in the session reacted to the absence of President Tudjman, Mesic said: "President Tudjman's absence was, after all, felt in the discussion because one republic was not represented by its legitimate representative, the president of the republic. This means that the talks could not have the significance they would have had if everyone had been present."

In answer to the question of whether the next session will be held in Ljubljana, Mesic said that they had not yet agreed upon this.

Presidency Decisions Assailed

LD0503204891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1953 GMT 5 Mar 91

[Statement issued by SFRY Presidency Vice President Stipe Mesic to VJESNIK on 5 March; place not given]

[Text] Zagreb, 5 Mar (TANJUG)—SFRY Presidency Vice President Stipe Mesic, 15 minutes after walking out of today's SFRY Presidency session, said: "The SFRY Presidency had no right to place the Croatian situation on the agenda for its session without consulting the legitimate and legal entities of the Croatian Republic."

I left the session for principle reasons, Mesic said, and went on to stress that there would be no discussion about Croatia without Croatia's presence. "In my view, all the documents and all the facts presented to the SFRY Presidency should have been considered beforehand by relevant bodies in the republic. Because this was not the case I considered the session to have been rushed through...."

"The situation in Pakrac has been completely defused and there is no need for any additional intervention", Mesic stated, stressing that all the institutions of the system, schools, firms, and work organizations are functioning normally and that there is therefore no need for anxiety. "There were no casualties. Anti-Croatian propaganda has again failed to achieve what it set out to accomplish."

In reference to today's SFRY Presidency session, Stipe Mesic said that the course of the debtate enabled the [SFRY] president, Dr. Jovic, to formulate his speech so it appeared to call for an investigation into alleged causes behind the events in Pakrac. Mesic's response was that he [Mesic] was not "a lawyer representing Croatia in the SFRY Presidency" but was its member and vice president. Croatia has its own services competent to decide on such issues. Stipe Mesic also insisted that there are no columns of refugees leaving Pakrac, and that Baranja is in the grip of an attempt to frighten local population.

We are faced with a political maneuver designed to put Croatia in the dock rather than to encourage a discussion about solutions to Yugoslavia's constitutional and political crisis, he added.

Worsening Political Scene Noted

LD0503164691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1611 GMT 5 Mar 91

[Text] Belgrade, 5 Mar (TANJUG)—The SFRY Presidency was in session today. [SFRY Presidency] President Borisav Jovic chaired the session, which was also attended by the federal secretaries for national defense and internal affairs.

The SFRY Presidency considered a report on the implementation of its decisions made on 2 and 3 March regarding the situation in the municipality of Pakrac. The SFRY Presidency concluded that, despite the fact that everyday life is gradually going back to normal, its stands and conclusions are being implemented incompletely and with delays. The Presidency insists that its stands and conclusions be immediately and fully implemented. If this is not done, the SFRY Presidency will resolutely and immediately apply all available constitutional means and measures.

The SFRY Presidency noted that due to, among other things, slow implementation of its conclusions on the Pakrac situation, unrest, fear, and feelings of insecurity and distrust have spread among citizens in many places, especially in mixed population areas. Furthermore, citizens have left their homes and places of work en masse and have been seeking refuge in other parts of the country. Additionally, the overall political and security situation in the country has worsened.

The SFRY Presidency guarantees the security and safety of all citizens of the SFRY and will use all measures envisaged by the SFRY Constitution and federal laws aimed at securing peace and security for everyone in Yugoslavia; if the need arises, it will make decisions on the spot.

The SFRY Presidency demands that force not be used and threats not made against competent bodies resolving political problems in the country, and that the full equality of all citizens to express their political views is ensured.

U.S. Envoy's EKSPRES Reply Cited

AU0503181891 Zagreb VJESNIK in Serbo-Croatian 26 Feb 91 p 7

[Branko Podgornik report: "Who is Slandering and Who is Kneeling"]

[Text] Regarding the recent accusation made by POLITIKA EKSPRES, which claims that the U. S. ambassador in Yugoslavia "was organizing intelligence work in Kosovo", Warren Zimmermann responded with a letter that he addressed to Slobodan Jovanovic, chief and responsible editor of the paper. POLITIKA EKSPRES published the letter on Saturday, under the inconspicuous title "Anti-Americanism."

"Dear Mr. Jovanovic," writes Zimmermann, "the allegations made in your paper of 18 February that I organize intelligence work in Kosovo are incorrect and slanderous. Your readers deserve a higher quality of journalism than the unsubstantiated anti-Americanism that has become a trademark of your paper. One can only ask oneself why POLITIKA EKSPRES is leading the anti-American campaign at a time when many Serbs and Americans, including myself, work hard to continue the bilateral friendship that has been in existence for over a century."

Jovanovic reacted immediately with a big article entitled "We Won't Get Down on Our Knees," which POLITIKA EKSPRES published on Sunday on over more than half of the 19th page. At the end of the text it says:

"As far as you personally are concerned, only you with your conduct can defend yourself from slander, if it exists. Regarding your conduct, it would be hard to describe it with honesty as 'the continuation of the bilateral friendship that has been in existence for over a century,' and if you ask me personally, although I believe that you would not even consider it, I would advise you to stop what you are doing at the moment, especially not so eagerly, as you evaluate your work. The American nation and the United States deserve a higher level of diplomatic representation in the Yugoslav state than the level of your current activities, which are in no respect typical for an ambassador of a friendly country."

What Zimmermann "did", of course, cannot be easily understood from Jovanovic's text. With the remark that "we see ourselves as far from any anti-Americanism," Jovanovic continues: "This, of course, does not mean an uncritical attitude toward certain moves of the services of your country and toward the conduct of certain U.S. representatives, particularly those that were concerned with our country. Furthermore, there were a few during your tour in Belgrade."

Jovanovic "with pride reminds" Zimmermann that "the state services and the diplomats of my country did not meddle in U.S. internal affairs during this period." He asks Zimmermann, how he would feel if a "Yugoslav ambassador roamed around the United States considering himself a kind of imposed administrator in charge of, for instance, the human and political rights of American Indians, Mexicans, and Blacks, and held talks with them about the illegal import of arms into the States, about the possible secessionist aspirations they might have, and so forth." In continuation, Jovanovic reminds us that Zimmermann's name "was mentioned by Mr. Spegelj in the documentary about the illegal armament in Croatia," that the ambassador was in Subotica "after the affair with Hungarian export of weapons to Croatia, in Kosovo several times, and in Sarajevo few days ago." In parentheses Jovanovic adds: "It is true that you denounced Spegelj, but not as arrogantly as you denounced POLITIKA EKSPRES."

Not Ready to Go Down on Their Knees

Along with the remark that "the Serbian nation is deeply convinced about the existence of a scenario to up break Yugoslavia," Jovanovic warns that the final goal of this scenario is "to create the puppet regimes that already exist in certain parts of Yugoslavia and Europe. Those who are not prepared to go down on their knees are declared bolsheviks," writes Jovanovic, "while the status of a democratic force is given to fascist systems, merely because they agree to be obedient servants and puppets."

So, the international conspiracy against Serbia is continuing.

Radovan Karadzic Comments on Bosnia's Status

AU0603111491 Belgrade BORBA in Serbo-Croatian 26 Feb 91 p 7

[Report on interview with Radovan Karadzic, president of the Serbian Democratic Party of Bosnia-Hercegovina, by Djoko Kesic, "after the SFRY Presidency session" in Sarajevo on 22 February: "I am not Milosevic's Yes-Man"]

[Excerpts] Radovan Karadzic, president of the Serbian Democratic Party [SDS] of Bosnia-Hercegovina, is a very communicative man. Among journalists in Sarajevo he is considered a politician who can always be telephoned for a statement, even about hot topics that require caution and thought. After a brief conversation he agreed to give an interview to BORBA. The conversation was held after the SFRY Presidency session in Sarajevo. It started with the question: How do you see the idea of the future Yugoslav state community being organized as an asymmetric federation, especially in view of the fact that this idea was presented by [Bosnia-Hercegovina President] Alija Izetbegovic at the SFRY Presidency session, without previously consulting the leaders of the other two dominant parties in the republic?

[Karadzic] Things are now much clearer, and what I am sincerely pleased with is the consensus that force will not be used in any form to determine the political future of the country. If this was really the view of the members of the expanded presidency session, then this is the greatest progress that was made at the Sarajevo meeting. Presently, the most important thing is to avoid a civil war. It has become quite clear that Croatia and Slovenia want to leave Yugoslavia. I am still hoping deep inside that the majority of the Croatian people want to remain in the federal state, together with other Yugoslav peoples.

I see two or three states in the future Yugoslav community: Croatia and Slovenia as confederal and independent states, and the remainder of Yugoslavia as a new state community. I recently introduced a new term, "Yugoslavia proper," which is in fact the real Yugoslavia. [passage omitted]

[Kesic] Do you really think that under the present circumstances in Yugoslavia it is possible to draw ethnic borders at the expense of some republics?

[Karadzic] Yes it is, if we respect the will of the people, which could be expressed in a referendum. Such a referendum was held in the Knin region and it is already possible to draw ethnic borders there. One must be aware of the fact that not all of the Serbian villages could join the remainder of the Yugoslav state, just as it would not be realistic for all Croat villages to become part of the Croat state. This should be regulated the way Sweden and Norway regulated it in 1905. Croatia and Yugoslavia could do the same, draw a sensible border. We should not lament over every stream. We should leave six months to complete negotiations on ownership. [passage omitted]

[Kesic] At the SFRY Presidency session, Alija Izetbegovic spoke about an asymmetric federation on his own behalf, without consulting the SDS and the Croatian Democratic Community of Bosnia-Hercegovina. How do you see the position of Bosnia-Hercegovina in this possible asymmetric federation?

[Karadzic] Izetbegovic said that Bosnia-Hercegovina will remain in Yugoslavia. How relations among the peoples in this future Yugoslavia will be organized remains to be seen. I am glad that Alija Izetbegovic took the view that it is impossible to separate Bosnia-Hercegovina from Yugoslavia. Myself and the party, and the people we represent, are in a much better position because we are in the position we want. We have a federation, and Bosnia- Hercegovina is a federal unit in this federal state. Bosnia-Hercegovina respects federal laws and the federal Constitution and does not want this to be changed. This would be possible to change only with the consent of the Serbian people. We will not give this consent to anybody, and everybody is clear that it is impossible to separate Bosnia-Hercegovina from Yugoslavia. All the territories inhabited by Serbs are considered the territories of the federal state.

[Kesic] How do you assess the current political situation in Bosnia-Hercegovina? The political atmosphere is extremely tense, people live in fear of what might happen in Yugoslavia?

[Karadzic] Serbian-Croatian relations are a bit aggravated because of what is happening in Croatia. Serbs and Croats are not that mixed in the republic that this would lead to some trouble. Serbs living in the border areas are anxious because members of the Croatian Democratic Community possess large quantities of arms.

[Kesic] You often say that relations between Serbs and Muslims in Bosnia-Hercegovina have been improving considerably. To what extent is this a political phrase, and to what extent an accurate assessment of the situation?

[Karadzic] This is reality. Before the SDS of Bosnia-Hercegovina was founded, Muslim people had been grossly manipulated, and predictions were made that Muslims and Croats will decide on the Serbs' future. Even at that time many Muslims did not agree with this. The prevailing view among the Muslims today is that they do not want to go along with Croatia, but that they want to be their own masters, and that they feel comfortable in Yugoslavia. This is what contributed toward

the significant improvement in Serbian-Muslim relations. Croatian flags and the flags of the Party of Democratic Action are seen together less and less frequently today. This used to be the case in the past. In brief, Muslims are not naive today, as they were in 1941.

[Kesic] You have the declaration of sovereignty of Bosnia-Hercegovina in front of you. You have categorically decided against this declaration. Do the Muslims appear to be in favor of it?

[Karadzic] Nobody is sovereign in the real sense of the word while there is a federal state. The republics, say Serbia and Bosnia-Hercegovina, are sovereign in relation to one another, but none of them is sovereign in relation to the federal state. The current constitution of Bosnia-Hercegovina contains nothing that does not guarantee the equal status of this republic with other parts of the country. This is why it is very surprising that we [words indistinct]. This declaration [words indictinct]. We will discuss this in the republican assembly; we can find a common language on some documents that would guarantee that our republic is equal to other parts of the country, but not a document that could lead to the dissociation of Bosnia-Hercegovina from Yugoslavia.

[Kesic] Among the three Serbian leaders (Raskovic, Milosevic, Draskovic) you have the reputation of perhaps being the most tactical, the most flexible politician. Do you agree with this assessment?

[Karadzic] We are amateurs, perhaps talented, some even brilliantly talented amateurs. Only Slobodan Milosevic is a real statesman who could lead the country, and the Serbian people have rightly felt this. The rest of us are, if I may say so, leaders who came to the fore because of the times. Comparisons should not be made. For instance, Jovo Raskovic is unique in his conduct.

[Kesic] The things that are currently happening regarding Raskovic, does it mean a rift among Serbs in Croatia?

[Karadzic] I do not know, but I hope the clashes are of a personal rather than a political nature. I do not think that there are any clashes or disputes about the most important issues and the general direction of our own party.

[Kesic] Some people are accusing you and Raskovic of being Slobodan Milosevic's yes-men.

[Karadzic] This is the old method of making false allegations, dating back to the times of the Inquisition. I must give credit to the Slovene and Croatian press for denouncing us so successfully in the West. Milosevic was first denounced as an anticommunist, but when they realized that this was counterproductive, they started to denounce him as a bolshevik. Regarding obedience, I think that Milosevic, Raskovic, and I are obedient to the Serbian people. My first meeting with Milosevic occurred only three months after the founding of our party. I did not want to appear in Serbia until I was elected official representative of the Serbian people in Bosnia-Hercegovina. After that we developed friendly relations. We brief each other, but Milosevic has never given us any advice or order and has never expressed any wish. We only know about his efforts to understand what is happening in Bosnia-Hercegovina, especially among the Serbs. The only thing I have asked Milosevic to do is to represent the stands of Serbs from Bosnia-Hercegovina in the meetings with other Yugoslav politicians, because, due to the nature of Bosnia-Hercegovina, we do not have our representative, although Mr. Izetbegovic is doing his best to represent the stands of the Serbian people in Bosnia-Hercegovina in his stands. In this sense, we have given Mr. Milosevic a mandate to represent Serbs from Bosnia-Hercegovina if Yugoslavia disintegrates. If Yugoslavia is preserved, we will give this mandate to Izetbegovic. [passage omitted]

Slovene Official Discusses Secession Issue

LD0503234591 Belgrade TANJUG Domestic Service in Serbo-Croatian 2142 GMT 5 Mar 91

[Report on interview with Slovene International Cooperation Secretary by unidentified reporter on Sarajevo TV Club 91 program; date not given—live or recorded]

[Text] Sarajevo, 5 March (TANJUG)—Dimitrij Rupel said that it is not Slovenia's intention to secede from Yugoslavia; rather, through separation, to come to an agreement with others and settle reciprocal relations. He added that "secession has never been an acceptable expression in this republic, especially as Slovenia does not wish to be on one side and Yugosalvia on the other."

If Slovenia walks out, Rupel believes, there will no longer be a Yugosalvia. I hope, he said, that a framework will be devised for our life together.

Answering a question put to him by Club 91 panel chairman on "what Slovenia will do on 30 June this year if the concept of separation is not accepted," Rupel said that "if the present intolerance during the talks on Yugoslavia's future, and the threats, especially regarding the Army and its further political involvement, are to continue, then there will be less patience and will to go on with the talks." He added that if they are halted, Slovenia will be in a position to proceed along its own road. Rupel emphasized that the borders between the republics must be respected. Bosnia-Hercegovina also has the right to, and the will for, its own statehood, and this is an important aspect that must be taken into consideration. Talks about new borders, Rupel said in conclusion, could foil democratic processes in Yugoslavia.

Serbian Democrats Want Milosevic's Resignation

AU0503180291 Belgrade BORBA in Serbo-Croatian 27 Feb 91 p 4

[M. S. report: "Serbs Have Bad Reputation"]

[Text] Belgrade—The Social Democratic Alliance of Serbia has sent an open letter to Serbian President Slobodan Milosevic, in which it bitterly criticized the policies he advocates in his negotiations about the country's future.

"By linking yourself to the conservative Yugoslav People's Army leadership and by taking an obstinate stand in negotiations that are being conducted, you have jeopardized the peace and the future of citizens, whose representative you became by promising them the opposite of what you are now doing." This was stated in the letter addressed to "Citizen Milosevic." The letter also added:

"The policies you are carrying out will not lead to anything good. They are pushing Serbs into a war with everybody. It is a fact that Serbia has an extremely bad reputation in the world. This is evident from the fact that not a single foreign politician would receive you for talks. Did you ask yourself why? Or, to turn the question around: Why would the politicians of the powerful Western European countries and the United States receive the representatives from Croatia and Slovenia? It is obvious that the democratic European and U.S. public finds the bureaucratic-Stalinist politics of the present Serbian leadership extremely repulsive. Day after day it is proven that this leadership and such politics have nothing in common with the citizens of Serbia."

At the end of the letter it is proposed that Milosevic, in the interest of Serbia and democracy, submit his resignation, dissolve the [Serbian] Assembly, and call democratic elections for an assembly that will be able to promulgate a new constitution.

Serbian Opposition Protests Belgrade Television

LD0503163591 Belgrade TANJUG in English 1517 GMT 5 Mar 91

[Text] Belgrade, Mar 5 (TANJUG)—The leaders of six of the most influential opposition parties in the Yugoslav Republic of Serbia said at a news conference today that they would join a protest rally of the Serbian Renewal Movement (SRM) in Belgrade on March 9 against, in their view, unobjective information which is broadcast by television Belgrade.

Vuk Draskovic, leader of the SRM which is also the strongest opposition party in the republic, pointed out that the protest would last until the expectations of the demonstrators were met.

Some of the most important demands include: replacing the management of television Belgrade and forming two additional television chanels, one of which would be supra-party while the other would be made available to all political parties.

Draskovic said that the republican legislature has been asked to immediately make a decision under which the Socialist Party of Serbia and the League of Communists-Movement for Yugoslavia (the two parties which are the successors of the communist party) "are banned from leading the cadre and editorqal policy in television Belgrade."

The demands of the opposition largely coincides with the views of the independent trade union of journalists of Television Belgrade, which, however, yesterday dissociated itself from the rally, pointing that it represents trade union and not political interests.

Serbian SDS Supports Belgrade Television Union

AU0503213991 Belgrade BORBA in Serbo-Croatian 27 Feb 91 p 4

[G. Lj. report: "Democracy Does Not Agree With Obedience"]

[Text] Belgrade—An independent and free trade union that would unite the majority of Serbian workers and employees does not exist. The Social Democratic Alliance of Serbia [SDS] drew attention to this in its protest against the illegal arrests of several members of the Independent Trade Union of Belgrade Radio-Television, and their detention for the informative talks on the premises of the Serbian Secretariat for Internal Affairs.

Along with yet another warning that the existing "legal" Union of Serbian Trade Unions has been shaken for a long time by "conflicts that resulted from its professional leaders' inability to lessen workers' dissatisfaction, and the fact that the leaders were, on the other hand, compelled to support workers' demands to take control of the (dis)organization of strikes and other workers' actions, the SDS also condemns Tomislav Milenkovic's conduct. First, they sharply reproach him for preventing the actions of independent trade unions, calling them anarcho-syndicalist and fractionalist. This is then followed by the condemnation of "Milenkovic's abuse of his position and the union meetings as an attempt to establish a monopoly of one of the trade union organizations."

The SDS of Serbia supports the efforts and activities of the Independent Trade Union of Belgrade Radio-Television, whose aim is to "protect the rights of its members and the dignity of the profession." At the same time, the Union supports all independent trade unions that have already been founded in Serbia, as well as the founding of other trade union organizations.

At the end, a demand addressed to the Serbian Assembly asks that the freedom of union organizing be guaranteed by new labor and trade union legislation.

Serbian Assembly Approves 24 Committees

AU0503170891 Belgrade POLITIKA in Serbo-Croatian 23 Feb 91 p 6

[I. Anojcic, B. Radivojsa, and S. Kljakic report: "Rules of Procedure Adopted Unanimously"]

[Excerpts] The second day of the Serbian Assembly session began by deputies asking many questions. Almost all deputies presented their questions in such great detail that at one time was it thought that a discussion on the rules of procedure would not take place. [passage omitted]

Half of Amendments Accepted

Out of about 100 amendments proposed to the standing orders, one-half was accepted. Deputies voted on each amendment individually, regardless of whether an amendment was proposed or not.

It was decided that the Assembly should have 24 permanent committees: the Committee for Constitutional Matters; the Legislative Committee; the Committee for Defense and Security; the Committee for Foreign Affairs; the Committee for the Judiciary and Administration; the Committee for Kosovo-Metohija; the Committee for Interethnic Relations; the Committee for Promoting Economic Relations With Other Countries; the Finance Committee; the Committee for Industry, Energy, Mining, and Civil Engineering; the Committee for Transportation and Communication; the Committee for Housing, Communal Services, and Urban Planning; the Committee for Agriculture, Forestry, Water Management, and Development of Rural Areas; the Committee for Trade and Tourism; the Committee for Health; the Committee for Demographic Policy, Family, and Youth; the Committee for Environment; the Committee for Education, Physical Education, and Sport; the Committee for Culture and Information; the Committee for Science and Technology; the Committee for Labor, Veterans' Matters, and Social Welfare; the Committee for Petitions and Complaints; the Committee for Administrative and Mandate-Immunity Issues; and the Committee for Relations With Serbs Outside Serbia. [passage omitted]

President Tudjman Views Threats to Croatia

LD0503230191 Belgrade TANJUG Domestic Service in Serbo-Croatian 2152 GMT 5 Mar 91

[Text] Zagreb, 5 Mar (TANJUG)—In a speech at a session of the main committee of the Croatian Democratic Community [Hrvatska Demokratska Zajednica—HDZ] Franjo Tudjman stated that Croatia is threatened by unitaristic and dogmatic forces that want to revive the old Yugoslavia with its unitaristic character and even a Greater Serbia.

All these forces, Tudjman stressed when talking about the HDZ role in circumstances when the dignity and sovereignty of Croatia are threatened, will persist until 15 May [when Stipe Mesic should become SFRY Presidency president]. They have decided to stop the change-over in the Yugoslav Presidency. To this end, they are using all means of psychological warfare that Croatia does not know of, Tudjman said.

"Under the circumstances in which attempts are being made to topple the democratic government and violate the sovereignty of the Croatian Republic, the Croatian leadership is continuing with the policy of negotiations for finding a democratic agreement on the creation of sovereign states, or, if such an agreement is impossible to reach, for a democratic separation."

The leadership enjoys the support of the world public in this policy, Tudjman stressed. He called on HDZ members not to deviate from this policy in their behavior.

Calls For Croatian Political Unity

LD0503195791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1926 GMT 5 Mar 91

[Text] Zagreb, 5 Mar (TANJUG)—A session of the main committee of the Croatian Democratic Community [Hrvatska Demokratska Zajednica—HDZ] is under way in Zagreb this evening. Croatian President Franjo Tudjman called at the session for unity of all Croatian political forces and for the prevention of intra-national conflicts. Tudjman also urged tighter discipline within the HDZ. The Croatian president spoke about cooperation with federal bodies and stressed, among other things, that no army would dare to do anything against a well-organized nation.

Taking part in the discussion, SFRY Presidency Vice President Stipe Mesic, who left the session of the SFRY Presidency in Belgrade this afternoon, mentioned the Pakrac "scenario of fratricidal war" and said that he is in favor of a sovereign Croatia, free to negotiate common tasks.

Members of the Croatian Government are attending the session of the HDZ main committee.

Situation 'Slowly Returning to Normal' in Pakrac

LD0503204491 Belgrade TANJUG in English 1920 GMT 5 Mar 91

[Text] Pakrac, March 5 (TANJUG)—The situation in Pakrac is slowly returning to normal, says a statement issued by the local authorities of the town in the Republic of Croatia which was the site of clashes between republican special police units with the majority Serbian population last weekend.

The statement says that "there is still tension, uncertainty (?and) fear." Enterprises are not working full time, there are problems in goods deliveries and schools did not hold classes full time today.

The statement says that the Pakrac Executive Council supports the conclusions of last night's agreement reached by Yugoslav State Presidency Vice-President Stipe Mesic, State Presidency members Bogic Bogicevic and Nenad Bucin, Federal Interior Minister Petar Gracanin and Croatian Interior Minister Josip Boljkovac.

Reports from Pakrac say that the special forces of the Croatian Interior Ministry left the town at 7 a.m. today. Journalists were told, and it was officially confirmed, that only two police transporters remained outside the police station.

According to the Croatian authorities, the special units entered Pakrac on Saturday morning because Croatian policemen in the local police station were disarmed on Friday.

Upon entering the town, the Croatian special units took 31 Pakrac policemen to the nearby city of Bjelovar. It was today announced that "17 returned so far", and the others are being held for further investigation.

The Pakrac Executive Council called on citizens to return arms to the police station, promising that measures would not be taken against anyone. It also appealed to citizens not to rally in great numbers unnecessarily and not to be deceived by various misinformation.

Local officials say that the situation is slill returning to normal in all parts of eastern Slovenia, in the Croatian municipalities which are predominantly inhabited by Serbs. After the events in Pakrac, children [words indistinct] to neighbouring villages in the Republic of Serbia.

According to incomplete information of the municipal authorities of the town of Sid, [words indistinct] around 3,000 people, mainly women and children, from regions in Croatia bordering with Serbia were given lodgings in houses as of yesterday.

Official Justifies Intervention

LD0503162591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1504 GMT 5 Mar 91

[Text] Belgrade, 5 Mar (TANJUG)—The decision to deploy the Yugoslav People's Army in Pakrac stems from the constitutionally enshrined army role to prevent outbreaks of armed conflicts, particularly interethnic conflicts, wherever they are under way or are imminent. Because shots were fired in Pakrac, the Federal Secretariat for National Defense reacted on the basis that the urgency with which measures should be undertaken is essential for the prevention of the escalation of conflicts and that any delay could have unforseeable consequences. Stane Brobet, deputy federal secretary for national defense, said this today at a session of the Committee for National Defense of the SFRY Assembly Federal Chamber.

The committee today failed to reach a solution about controversial issues regarding two proposed laws on all-people's defense and military service. A group of delegates from Slovenia, dissatisfied with the provided solutions that, according to them, violate Slovene sovereign rights, demanded that these laws be considered in a special procedure. Because both they and the Federal Executive Council, which proposed the controversial laws, refused to compromise, a report on this will be forwarded to the Federal Chamber of the SFRY Assembly, which will make the final decision.

Policemen Released From Detention

AU0603082091 Belgrade Domestic Service in Serbo-Croatian 0300 GMT 6 Mar 91

[Text] The Executive Council of the Pakrac Communal Assembly sent a statement last night to the SFRY Presidency, the Federal Executive Council, the Croatian president, and the Croatian government that says, among other things: Thirteen reserve and active policemen have been released after having been detained pending an investigation in Bjelovar.

The council insists that the other agreed-upon stands and conclusions be implemented without delay so the citizens of Pakrac can live in peace and start dealing with their daily obligations. Three flags will fly in the Communal Assembly building in the future: the Yugoslav, Croatian, and Serbian flags.

It emerges from this statement that one policeman remains in detention pending investigation, but the reason for this is not known. Otherwise, the situation in Pakrac has normalized, although some citizens are still fearful.